

PERCEPTIONS OF UNIVERSITY STUDENTS IN PAKISTAN  
TOWARDS TEA AND HOW THESE AFFECT THE BRAND OF  
TAPAL

By

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## **ACKNOWLEDGEMENTS**

As I reflect on the magnitude of this project I realize that in the course of researching and preparing this paper, I have become obliged to an embarrassingly large group of individuals, only a few of whom can be mentioned here.

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My very special thanks to my advisor Ms. Asfia Obaid who I hold in great respect, more so her guidance and help in writing of this thesis.

## **Executive Summary**

This study has been undertaken with a view to study the perceptions and attitudes of youth in Pakistan towards tea to see whether young people have come to closely associate themselves with tea or is tea still largely a drink for adults. It analyses young people's motivations for drinking tea. If they are drinking tea, what factors do they consider most important in a satisfying cup of tea? The findings of this study can be used by tea companies to shape their marketing and also to modify the product itself to better suit the tastes of the target youth market.

The study in its later part aims at the very purpose of finding out how 'Tapal' has been able to become a serious threat to the dominance of Lipton, and how it can extend its regional leadership into national leadership. The importance of effective positioning, and communicating that position has been discussed from a perspective of being a means to an end, that end being provision of better value for both internal and external customers, while at the same time building market share and profitability. Industry standards are discussed and also the evolution of the industry is seen in its local perspective.

I have tried to keep the analysis objective and interesting. I hope this submission will generate both a lively and strategic debate in the academic and research circles of NIMS.

# TABLE OF CONTENTS

I. INTRODUCTION		1
<b>Objectives of the study</b>	1	
<b>Limitations</b>	2	
<b>Discovery of Tea</b>	3	
<b>Potential effects of tea on health</b>	3	
<b>Loose Tea Market</b>	4	
II. RESEARCH METHODOLOGY		6
<b>Hypotheses</b>	6	
<b>Data Collection Methods</b>	8	
<i>Focus group</i>		
<i>In depth Interview</i>		
<i>Survey</i>		
<b>Crystallizing Questionnaire through Pre-test</b>	8	
<b>Checking for Repetition</b>	8	
<b>Data Analysis Techniques</b>	9	
III. INDUSTRY ANALYSIS		10
<b>Tea Industry of Pakistan</b>	10	
<b>PEST</b>	11	
<i>Political Factors</i>		
<i>Economic Factors</i>		
<i>Social Factors</i>		
<i>Technological Factors</i>		
<b>Porter's Five Forces</b>	15	
IV. COMPANY ANALYSIS		17
<b>TAPAL</b>	17	
<b>Tapal Brands</b>	18	
<b>A Commitment to Quality</b>	21	
<b>Tapal's Quality Policy</b>	21	
<b>Leaders in Innovation</b>	21	
<b>Packaging: pioneers of soft packaging</b>	22	
<b>SWOT ANALYSIS</b>	22	
<i>Strengths</i>		
<i>Weaknesses</i>		
<i>Opportunities</i>		
<i>Threats</i>		
<b>Bowman's Strategy Clock</b>	25	

V. CUSTOMER ANALYSIS		<b>28</b>
Consumer Buying Behavior	28	
What influences Purchasing	28	
AIOD Framework	35	
How Consumers Buy	38	
Mind Measure	41	
VI. BRAND ANALYSIS		
<b>44</b>		
Brand Personality	44	
Brand Elements of Tapal	44	
<i>Logo</i>		
<i>Slogan</i>		
<i>Jingle/Songs</i>		
Packaging		
Brand Health Pyramid	46	
Brand (Tea) Image	49	
VII. MARKET SHARE ANALYSIS		<b>51</b>
BCG Growth Share Matrix	51	
Y & R Brand Asset Valuator	56	
Y & R Power Grid	56	
VIII. POSITIONING		<b>57</b>
First Perceptual Map	57	
Second Perceptual Map	59	
Third Perceptual Map	60	
Fourth Perceptual Map	61	
IX. FINDINGS & ANALYSIS		
<b>63</b>		
Survey Analysis	63	
Ethical Considerations	71	
Validity	71	
Findings of In-depth Interview	73	
Perceptions & attitudes towards tea	73	
Key Findings of Focus group	75	

X. CONCLUSION		<b>78</b>
<b>Future Concerns for Tapal</b>	<b>78</b>	
<i>Trademark Violations</i>		
<i>Coffee</i>		
<i>Overdependence on Imports</i>		
<i>Cash</i>		
<b>Windows of Opportunity</b>	<b>79</b>	
<i>Reduction in Duty</i>		
<i>PF</i>		
<i>Afghanistan</i>		
<b>Recommended Future Strategy</b>	<b>80</b>	
<b>TABLES</b>		<b>82</b>
<b>EXHIBITS</b>		<b>84</b>

# INTRODUCTION

Black Tea is an all pervasive drink in Pakistan. For most people the daily routine begins with it at breakfast, at least two or more cups are consumed through the day<sup>1</sup>, particularly by professionals in offices. It is habitually offered to guests and is as much a social institution as it is a beverage.

While tea consumption is enmeshed in the social fabric of daily interactions for adults in the country, tea drinking has not traditionally been associated with youth in our society, particularly not in urban areas. However, companies like Unilever and Tapal have tried to change that with aggressive marketing campaigns aimed specifically at the youth market.

## **Objective of the study**

This study aims to study the perceptions and attitudes of youth in Pakistan towards tea to see whether young people have come to closely associate themselves with tea or is tea still largely an older person's drink.

It also aims to study young people's motivations for drinking tea. If they are drinking tea, what factors do they consider most important in a satisfying cup of tea? The findings of this study can be used by tea companies to shape their marketing and also to modify the product itself to better suit the tastes of the target youth market. As a case in point and to avoid making a generalizations, this study looks at the brand image of Tapal as seen from the eyes of the youth.

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<sup>1</sup> Munawar Pirzada, Daily Times Pakistan, May 20<sup>th</sup> 2007.

## **Limitations**

The study has been limited the study to business school students in Rawalpindi/Islamabad for expediency. However I do believe that business school students are an interesting and important segment since they are likely to have large disposable incomes in the future and often carry forward consumption habits picked in university. As such the earlier that tea companies are able to target them the more lucrative it may prove for them. In order to improve the focus group and survey with more time available one might have picked a larger sample which would have included students from different backgrounds. We would have tried to pick a group with a greater variation in age in order to get different perspectives from the students at various stages in their lives and education. This study was limited by time and budget considerations.

## **Discovery of Tea**

In 2727 B.C Chinese Emperor Shen-Nung was boiling drinking water when a few leaves of a wild tea tree blew into the royal bowl. He discovered that the leaves imparted a delightful flavor to his water; and so it became his favored drink.

It is probable that tea was first cultivated in China, though it is possible that people in Thailand and Burma have used it for as long as the Chinese have. The China tea plant was taken to Japan in about AD 800, where it was regarded as a medicine for several hundred years, until green tea was developed to become a popular beverage. Tea was introduced into England, as a gift from the British East India Company, in about AD 1660 and to rest to Europe soon thereafter.

By the end of the 19th century, China still supplied the bulk of the world's tea. In 1886 it exported 136 million kg, of which 77 million kg went to Britain; while India produced 40 million kg. But within a few years India moved ahead of China in world trade. Ceylon (Sri Lanka) emerged as a tea producer in 1867 and Java (now part of Indonesia) in 1878.



Today traditional tea growing countries of China India, Indonesia, Sri Lanka and Japan have been joined by many others in South America (Argentina, Brazil, Peru, Ecuador) and Africa (Kenya, Uganda, Tanzania, Malawi, Rwanda, and Mozambique).

## **Potential effects of tea on health**

The possible beneficial health effects of tea consumption have been suggested and supported by some studies, but others have found no beneficial effects. The studies contrast other claims, including antinutritional effects such as preventing absorption of iron and protein, usually attributed to tannin (**Tannins** are astringent, bitter-tasting plant polyphenols that bind and precipitate proteins) The vast majority of studies have been of Green tea. An article in New Scientist magazine<sup>2</sup> mentions that numerous studies suggest that green tea protects against a range of cancers, including lung, prostate and breast cancer. The reason cited is the antioxidant epigallocatechin gallate (EGCG).<sup>3</sup> According to a study by UCL researchers published in the journal Psychopharmacology, drinking black tea has an effect on stress hormone levels in the body and thus helps in recovering more quickly from life's stresses. The study showed that, 50 minutes after a high stress event, subjects who drank 4 cups of black tea per day for a 4 week period experienced an average cortisol drop of 47%, compared to 27% for the placebo group.<sup>4</sup> A recent study appearing in the Journal of Allergy and Clinical Immunology stated that epigallocatechin gallate (EGCG) found in Green Tea can help to boost one's immune system, therefore helping to prevent HIV. University of Sheffield Research Professor Mike Williamson stated that, "Our research shows that drinking green tea could reduce the risk of becoming infected by HIV, and could also slow down the spread of HIV" however was quick to point out that, "It is not a cure, and nor is it a safe way to avoid infection, however, we suggest that it should be used in combination with conventional

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<sup>2</sup> Juneja, LR, Chu, DC, Okubo, T, Nagato, Y, & Yokogoshi, H. (1999). L-Theanine - a unique amino acid of green tea and its relaxation effect in humans. 10(2), 199-204.

<sup>3</sup> Ibid.

<sup>4</sup> www. wikipedia.com

medicines to improve quality of life for those infected" as well as the fact that the research is in very early stages.<sup>5</sup>

## **Loose Tea Market<sup>6</sup>**

In Quetta and the rural areas of Punjab and Sindh, there is relatively more trend of using loose unbranded tea by the consumers as compared to popular brands. Small local brands are also commonly sold in these areas. The mixture of different blends not only gives better taste but also better color.<sup>7</sup> The main market for such type of product in Balochistan is located in the center of the business hub in Quetta - Qandhari Bazar. For Karachi, it is Jodia Bazar, the wholesale market where loose trade is traded on a large scale. In the case of Rawalpindi/Islamabad region loose tea is available in Raja Bazar Area. There are four major categories of unbranded (loose) tea available in the market. Following are the categories along with the countries from where these teas are imported.<sup>8</sup>

### **Black Unblended**

Category	Origin
Assam	India
Ceylon	Sri Lanka
Darjeeling	India
Nilgiri	India
Sikkim	India
Yunnan	China

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<sup>5</sup> Ibid.

<sup>6</sup> Strategic Brand Analysis of Tapal, Haseeb Ahmed, NIMS.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

### Scented Flavored

Category	Origin
Jasmine	China
Earl Grey	Sri Lanka
Lapson	China
Souchong	Taiwan

### Oolong

Category	Origin
Tie Guan Yin	China
Formosa Oolong	Taiwan
Pu-erh	China

### Green

Category	Origin
Genmaicha	Japan
Gyokuro	Japan
Spider Leg	Japan
Mattcha	Japan
Sencha	Japan

# RESEARCH METHODOLOGY

Our research questions are:

- 1) **What are the target population's attitudes towards tea?**
- 2) **What are the target population's perceptions towards tea?**

These two questions are directly targeting the main themes of the problem statement.

Attitudes refer to whether the target population have positive or negative associations and feelings about tea.

Perception is defined as the intrinsic recognition of a particular quality. For example, tea is perceived as an old fashioned.

- 3) **What are the factors which the target population feels are important in an enjoyable cup of tea and how these affect Tapal tea?**

Our third research question also ties in with the theme of perceptions. Which ever factor participants tell us is more important for them also ties in with their perceptions of tea.

## Hypotheses

- 1)  $H_0=60\%$  or more of the population have positive attitude towards tea  
 $H_1=$ Less than 60% of the population have positive attitude towards tea

$$\mu_0 \geq 0.6$$

$$\mu_1 < 0.6$$

- 2)  $H_0=35\%$  or less of the population associate tea with Youth  
 $H_1=$ More than 35% of the population associate tea with Youth

$$\mu_0 \leq 0.35$$

$$\mu_1 > 0.35$$

- 3)  $H_0=60\%$  or more of the population perceive Strength as the most important factor in Drinking Tea  
 $H_1=$ Less than 60% of the population perceive Strength as the most important factor in Drinking Tea

$$\mu_0 \geq 0.6$$

$$\mu_1 < 0.6$$

# **Data Collection Methods**

## **1) Focus group**

Participants for the focus group were selected based on the restriction on selecting students who had studied Methods of Business Research. This meant they were in later semesters (four individuals from MBA and one person from BBA.).

## **2) In depth Interview**

Five students of SZABIST/Bahria.

## **3) Survey**

Between 50-80 students.

## **Crystallizing Questionnaire through Pre-test**

The questionnaire has been tested many times before coming to the final survey questionnaire.

### **Checking for Repetition**

Once I had covered the three research questions, my initial check was for repetition. If one question was answering the question, I tried to cut out the questions that were catering to the same question. However, for validity check I have included questions that gave us the same answers through a reframed question.

## **Data Analysis Techniques**

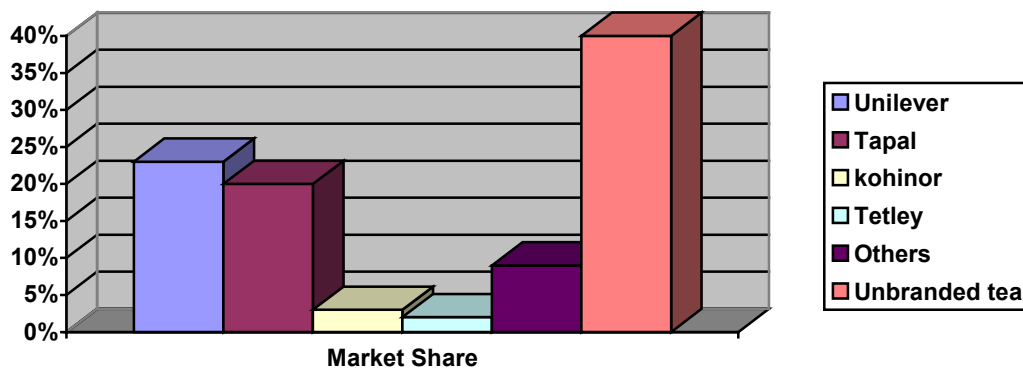
For the focus group and in depth interview I intend to use normative techniques to simply pick out what I feel were the main themes of the interaction with participants. For the survey I will focus on descriptive statistics for analytical purposes.

# INDUSTRY ANALYSIS

## Tea Industry of Pakistan

Tea is considered to be an essential item in Pakistan (see exhibit 3). The British popularized tea in the sub-continent during their times with a slogan that is still as powerful as it was then: “In the winters it provides warmth and in the summer, it gives freshness”.<sup>9</sup> At present there are two kinds of tea markets in Pakistan: branded and unbranded. Pakistan is the second largest importer of tea after the breakup of the Soviet Union with annual requirements of about 140,000 tons valued at 225 million US dollars. Besides this amount a sizeable quantity is also smuggled mainly from India which remains undocumented. The incentive to smuggle tea remains the evasion of import duty. On a whole smuggled tea retails at 30% less as compared to branded tea. Pakistan has an annual tea consumption of more than 1kg per capita. Today Kenya is the largest supplier of tea to Pakistan and accounts for 60% of total imports (see exhibit 1). Packaged tea represents approximately 60% of the total tea market. The break-up of market share is presented below:

**FIGURE 2<sup>10</sup>:**



<sup>9</sup> : <http://www.teacoffeeasia.com/news.asp?id=281>

<sup>10</sup> [http://agritrade.cta.int/tea/executive\\_brief.htm](http://agritrade.cta.int/tea/executive_brief.htm)

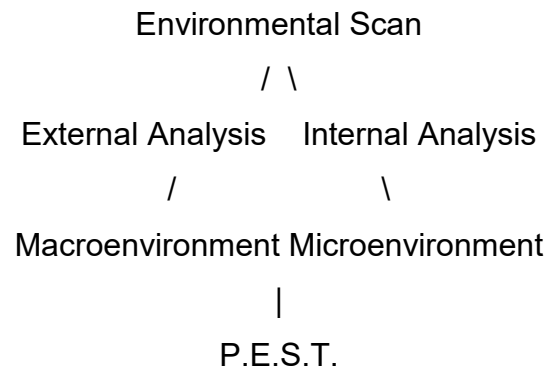


## PEST

A scan of the external macro-environment in which the firm operates can be expressed in terms of the following factors:

- Political
- Economic
- Social
- Technological

PEST analysis is used to describe a framework for the analysis of these macro environmental factors. A PEST analysis fits into an overall environmental scan as shown in the following diagram:



### Political Factors:

Political factors and government intrusions can make or break the industry. Political decisions have also played a very benign role for the tea industry. The political arena has a huge influence upon the regulation of businesses, and the spending power of consumers and other businesses. The political environment of Pakistan is stable in the current situation and country is doing well on economic

front. The environment is investor friendly and the tea industry is stable. The WTO and import of the raw materials also favor the tea industry.

**Tea Import Quota:** It is one important factor in consideration, each year there is certain quota on tea import in total imports of Pakistan. Each player is given a quota to import and manufacture.

**Diplomatic Relations:** The relations with the tea producing countries are of high importance for example previously Pakistan's large part of tea import comes from Kenya, but by the change of conditions with India, now Pakistan is importing a large quantity from India.

**Unstable Geographical Conditions:** Pakistan is situated at very critical and geographically important strategic locations. Because of the uncertainty of the environment new companies are hesitant to invest in Pakistan.

#### **Economic Factors:**

Economic conditions of the environment have a diverse effect on the economic development of any industry. The present economic development and growth has translated to higher purchasing power and tea being a commodity item is becoming an intake of individuals from all social classes.

**Inflation rate:** Also the increase in inflation this year which is reported at an approx. 11% has a huge influence on the buying power and the purchase behavior of the customers. In 2002-3, GDP grew by an estimated 5% Pakistan has a per capita GDP of about \$410, according to the World Bank, and purchasing power parity of \$2,100. 2002 GDP of \$60.5 billion reached purchasing power parity of \$310 billion and grew at a real annual rate of 5% in 2001-2.<sup>11</sup>

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<sup>11</sup> (Source: Stat-Bank, 6/6/ 2005)

**Social Factors:**

The social and cultural influences on business vary from country to country. It is very important that such factors are considered. People are socializing more, whether it be events or just casual visits to friends and family, but offering tea is becoming a ritual when guests arrive.

**Changing trends:** As work environments are becoming more stressful, people require different forms of refreshment and intakes to increase their energy levels. This further increases the intake of tea at work places, tea now not just only being available to when the employees would like a cup, but being served at least twice a day in several offices. On the other hand, media expansion, growth of advertising as a separate industry has resulted in greater exposure of all the brands to the masses. Hence social factors and changing mindsets have positively affected this industry.

**Socially Acceptable:** Tea is now acceptable in all the social classes because of its usage. The increase in tea consumption is increased due to health reasons for that green tea is largely consumed. Another factor is tea is emerging as competitor to soft drinks with the introduction of ice tea.

**Technological Factors:**

Technology is vital for competitive advantage, and is a major driver of globalization. Companies have technology with which they can compete in the Pakistan and now companies are investing in their infrastructure to not only expand but also to upgrade their existing structure. Advancement in technology has not only led to economies of scale, but also to the introduction of various types of brands for various segments.

**State of The Art Facilities:** Tea manufacturers like Unilever and Tapal already manufacture tea according to the quality principles and they have the state of the art manufacturing facilities.

**New Technology:** Lipton has installed its own plant of Danedar tea production. New machinery and equipment is required by the various brands to be able to produce various types of tea.

12

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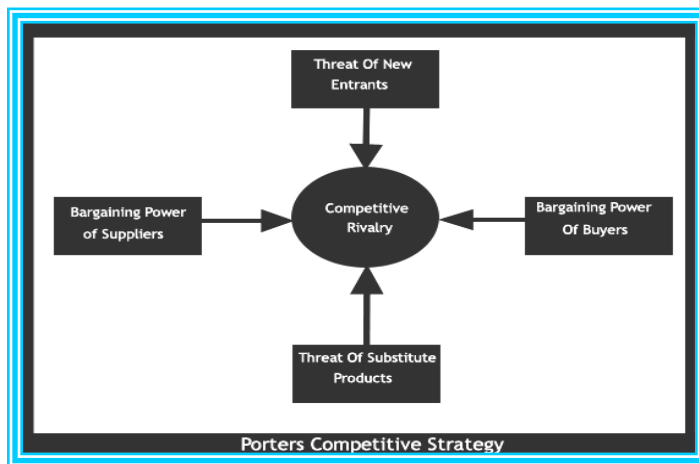
<sup>12</sup> (Source: INFOPAK; 6/6/2005)

## Porter's Five Forces

### A MODEL FOR INDUSTRY ANALYSIS

The model of pure competition implies that risk-adjusted rates of return should be constant across firms and industries. However, numerous economic studies have affirmed that different industries can sustain different levels of profitability; part of this difference is explained by industry structure.

Michael Porter provided a framework that models an industry as being influenced by five forces. The strategic business manager seeking to develop an edge over rival firms can use this model to better understand the industry context in which the firm operates.



### Competitive Rivalry

The competitive rivalry among players in tea sector in Pakistan is **high**. Since there are old names like Lipton and Brook Bond they are already facing the tough competition from Tapal and also the new brand like Tetley imported from India and local regional brands. Competition is also high because of the Khulli Chai.

### **Threat of New Entrants**

Threat of new entrants is high. This is evident from the government policies that are encouraging new Tea Houses to emerge in the scene. The taxes are reduced on tea import and there are many new countries which are added in the list of tea exporting countries. New regional brands are emerging and foreign brands are also here to take their chunk of the market share.

### **Threat of Substitutes**

Threat of substitutes is high when there are low switching costs associated, buyer has choice available and there is low price performance trade-off of substitutes. In case of tea the substitute is coffee and even cold drinks in some cases.

### **Bargaining power of buyers**

The bargaining power of buyers is low because there are new players in the market and the buyer has to meet the demand of the consumer each player has to buy out the required quantity. And also the trend of Pakistan shows that generally the people of Pakistan like the taste of Kenyan and Sri Lankan tea that's why the buying power is low.

### **Bargaining power of suppliers**

Bargaining power of supplier is high because there are few suppliers of the tea which is liked by the consumer so it is manufacturer's priority to buy tea from those countries so that the demand can be met with required level of quality. So supplier is at power because of the scarce supply of the product.

# COMPANY ANALYSIS

## TAPAL

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 favorite and eventually the largest selling brand in the unorganized tea market. From this humble yet promising 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 the founder's grandson, Aftab F. Tapal, manages Tapal Tea. 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.

From 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. **(Source: <http://www.Tapal.com>)**

## Tapal Brands

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. It is the blend that started the Tapal success story, and now the other tea companies 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 favorite around the country with its grape-nutty appearances, rich golden color 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 color and taste.

Following are the brands of Tapal:

		
Danedar Leaf Blend	Family Mixture	Safari Kenya Leaf
		
Mezban Super Dust	Chenak Kenya Dust	Special Teabags
		
Jasmine Green Tea	Special Round Teabags	Tezdum

(Source:



<http://www.tapaltea.com>)

### **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.<sup>13</sup> After Tapal's unique Family mixture became Karachi's largest selling brand, in 1987, an entirely new category brand called Danedar was created and launched. Previously, Danedar Leaf Blend had a grape-nutty appearance and rich golden color. To reenergize the brand and make it a true global brand, Tapal brought about a "revolutionary change" by relaunching Tapal Danedar in a new attractive red pack. The media campaign had the TVC "Zindagi mae bhara naya rung". This emphasized the fact that Tapal Danedar is in new color, style but with the same great taste, color and aroma of tea.

### **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. Safari PF 1 has been re launched with a new name Tapal Safari Chai , new look , new pricing, new packaging and a new direction. The objective was to relaunch the brand giving the brand a fresh,

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<sup>13</sup> Tapal Website

vibrant and young look- a positive change for all consumers. Hence the theme, *zindagi ko chaeyai change zarasi, naai qeemat , zabardast maza* was prominently communicated.

**Mezban Super Dust:**

A full- flavored super dust that delivers high quality at a very economical price, Mezban premier Dust is the blend for consumers who prefer tea with a strong flavor and taste. Originally developed for hot tea shops , Mezban has become a favorite amongst household consumers as well. The most popular tea brand in Sindh – Mezban is the characterization of Sindh hospitality that reflects the pride and culture of the province.

**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 carefully selected green 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.

**Gulbahar Green tea:**

This type of green tea is priced low, for consumers with low income level. It is exclusively available in the northern areas of the country.

**Chenak Dust:**

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

**Tapal Special Tea bags:**

The unique flavor of high grown leaves is especially selected from the finest tea gardens in the world. 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.

## A Commitment to Quality

"Never compromise on quality" has been the motto at Tapal since the very beginning. This commitment to quality has resulted in a high level of customer satisfaction and unflinching brand loyalty. In December 1997, Tapal Tea became the first Pakistani Tea Company to earn the ISO-9001 certification: a symbol of the highest international quality standards. Again in December 2000, Tapal acquired the ISO9001: 2000 certification, making it one of the first few companies in the world to achieve this milestone.

## Tapal's Quality Policy

Management and the employees of Tapal Tea (Pvt.) Ltd. are committed:

- To produce products that meet the customer's requirements & expectations.
- To fulfill the requirements and effectiveness of the quality management system through continual improvements.
- By constantly reviewing / updating the relevant quality objectives of products & processes.
- To participate as teams or individually towards the improvement of processes, personnel, environment & ethical values.

## Leaders in Innovation

Always on the move, Tapal Tea is honored to have taken the lead in a number of areas in the tea industry. Tapal has been:

- The first to introduce soft packs in the country.
- The first tea company to introduce metal-free tea bags.

- The first to develop an entirely new blend and category-Tapal Family Mixture (the mixture of leaf & dust).
- The first to invent the highly successful brand Danedar Leaf Blend.
- The first to market Kenya teas in Pakistan.
- The first tea company to be awarded the ISO 9001/2000 Quality Certification

### Packaging: pioneers of soft packaging

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 this facility tea is blended and packed in hygienic conditions, untouched by human hands whilst the soft packing technology keeps tea fresh and packaging costs economical. The success of these soft packs has been such that other tea companies have also followed Tapal's lead and launched some of their brands in soft packaging.

*(Source: [www.tapaltea.com](http://www.tapaltea.com))*

## SWOT ANALYSIS

### Strengths

The strengths of TAPAL are:

- Strong brand name
- Strong distribution network
- Variety of products especially Danedar Category being followed by the multinationals
- Consistent Quality
- Loyal customer base in Sindh Region
- Pioneers in soft packaging

## Weaknesses

- Relying excessively on Sindh
- Neglecting some of the brands in the portfolio e.g. 'Gulabahaar Green Tea', 'Jasmine Green Tea', 'Chenak Dust' as well as its 'Special Teabags'.

## Opportunities

- **Backward Integration:** As a step towards backward integration Tapal has begun tea plantation at Shinkhari in the northern region of Pakistan. This project aims at providing jobs, saving the country's valuable foreign exchange and is a significant step towards self-sufficiency. This would reduce the company's dependence on imported Kenyan, Sri Lankan and Bangladeshi tea leaves and would enable it to reduce the prices of its various brands.
- **Rural Marketing :** Tapal has a large fleet of beautifully decorated trucks. These trucks are fabricated with a kitchen, a state of the art sound system and a side door which converts into a stage. They are used for conducting merchandising activities. They would be particularly useful in rural areas where entertainment opportunities are few and far between.
- **Opportunities for overseas growth:** Tapal is also the 1st national tea company to export tea to the UAE, Canada and USA. This is again a pioneering step towards increasing value-added exports and is also a fast developing source of foreign exchange for the country. Export of tea to the foreign markets has provided Tapal with an opportunity to increase its sales and further expand its customer base. This is a promising area for the company's future revenue growth.
- **Music Sponsorships:** Tapal has sponsored different videos besides having a contract with a popular singer Najam Sheraz in 2001 for one year. Under this contract Najam came out with his album 'Jaise Chaho Jeeyo" based on a jingle of Tapal Danedar. A video of 'Jaise Chaho Jiyo' was also launched on different Pakistani channels and served to promote

and reinforce the brand. Tapal also sponsored videos of Fareeha Pervaiz and Fakhir and did a video with Najam for SAF Games as well. All these music sponsorships reinforced the brand image and the company can further exploit the sponsorships option in order to target the younger and older consumers alike. Tapal has the potential to further extend the

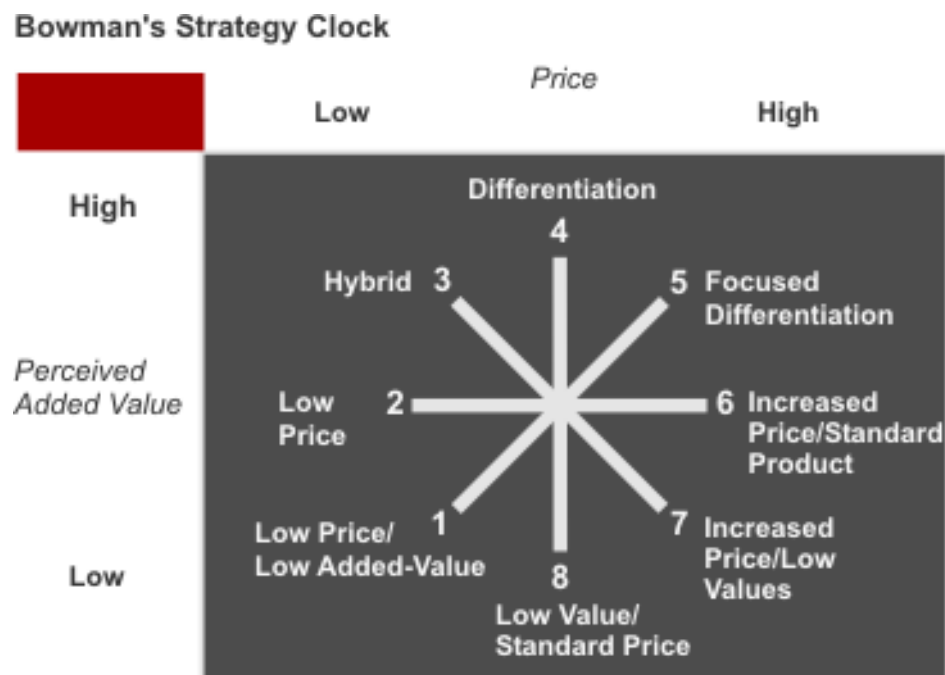
## Threats

- **Competitors gaining market share in other provinces:** Since Tapal's forte is the Sindhi market, competitors such as Lipton and Brooke Bond could snatch market share from Tapal in other provinces. Brooke Bond has infact already done so through launch of its 'A-I Karak Chai' that caters to the tastes of rural Punjabi people. In view of the promotion and price the product is very successful in rural Punjab.
- **Black Market:** The estimated consumption of tea for the year 2006 stands at 187,000 metric tonnes. (*Jang Group Website*) Most of the smuggled tea comes through the Afghan Transit Trade and is Rs 50-60/kg less as compared to the tea imported through the legal channels. Some of the tea is smuggled from India as well. Due to this black market, smuggled tea available at cheaper prices, thus the loose tea traders are able to offer their teas at prices much lower than the packaged tea producers and are hence able to lure customers towards them. If the trend of smuggling of tea keeps on rising in the future, the packaged tea producers would have to face further erosion of their margins and loss of sales. High import tariff is the cause of smuggling. The high import duty disadvantages legal imports as compared to smuggled tea, as the smugglers have a much lower overheads.

## Bowman's Strategy Clock

### The Strategy Clock: Bowman's Competitive Strategy Options

The 'Strategy Clock' is based upon the work of Cliff Bowman <sup>14</sup>. 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<sup>15</sup>:



#### Option one - low price/low added value

- likely to be segment specific

<sup>14</sup> C. Bowman and D. Faulkner 'Competitive and Corporate Strategy - Irwin - 1996)

<sup>15</sup> [www.marketingteacher.com](http://www.marketingteacher.com)

### **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 - focussed 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



As highlighted in the circle Tapal's strategy is a combination of option 3 and 4, the reason behind this is that initially it started off as a low cost company, but now it has changed its image, and is offering differentiation with and without a premium, because it offers products for all market segments. It hasn't still lost its cost advantage and is passing on the benefit to the consumer and has an emphasis on innovation and differentiation as well.

# **CUSTOMER ANALYSIS**

## **Consumer Buying Behavior**

Possibly the most challenging concept in marketing deals with understanding why buyers do what they do (or don't do)? But such knowledge is critical for marketers since having a strong understanding of buyer behavior will help shed light on what is important to the customer and also suggest the important influences on customer decision-making. Using this information, marketers can create marketing programs that they believe will be of interest to customers.

Factors affecting how customers make decisions are extremely complex. Buyer behavior is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. Since every person in the world is different, it is impossible to have simple rules that explain how buying decisions are made. But those who have spent many years analyzing customer activity have presented us with useful "guidelines" in how someone decides whether or not to make a purchase. We will only discuss those guidelines that are relevant to our research of "Getting to know a tea consumer".

In fact, pick up any textbook that examines customer behavior and each seems to approach it from a different angle. The perspective taken here is the one that will help us in getting to know the tea consumer and the concepts that appear to be commonly accepted as influencing tea consumers' behavior (molded by perception and attitude)

## **What influences Purchasing**

The decision-making process for consumers is anything but straight forward. There are many factors that can affect this process as a person works through the purchase decision. The number of potential influences on consumer behavior is limitless. However, marketers are well served to understand the key influences. By doing so they may be in a position to tailor their marketing efforts

to take advantages of these influences in a way that will satisfy the consumer and the marketer. These influences can be broken down into three main categories: Internal, External and Marketing.<sup>16</sup>

For the most part the influences are not mutually exclusive. Instead, they are all interconnected and, as we will see, work together to form who we are and how we behave.

For each of the influences that are discussed I will provide a basic description and also suggest its implication to marketers. Bear in mind that provided here are only a few relevant marketing implications for each influence; clearly there are many more.

## **Internal Influences**

We start our examination of the influences on consumer purchase decisions by first looking inside ourselves to see which are the most important internal factors that affect how we make choices?

### Perceptual Filter

Perception is how we see ourselves and the world we live in. However, what ends up being stored inside us doesn't always get there in a direct manner. Often our mental makeup results from information that has been consciously or unconsciously filtered as we experience it, a process we refer to as a perceptual filter. To us this is our reality, though it does not mean it is an accurate reflection on what is real. Thus, perception is the way we filter stimuli (e.g., someone talking to us, reading a newspaper story) and then make sense out of it.<sup>17</sup>

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<sup>16</sup> www.knowthis.com, “*Consumer Buying Behavior*”, 2006

<sup>17</sup> Wells, Burnet & Moriarty (1996) 5<sup>th</sup> ed Prentice Hall

Perception has several steps:

- Exposure – sensing a stimuli (e.g. seeing an ad)
- Attention – an effort to recognize the nature of a stimuli (e.g. recognizing it is an ad)
- Awareness – assigning meaning to a stimuli (e.g., humorous ad for particular product)
- Retention – adding the meaning to one's internal makeup (i.e., product has fun ads)<sup>18</sup>

How these steps are eventually carried out depends on a person's approach to learning. By learning we mean how someone changes what they know, which in turn may affect how they act. There are many theories of learning, a discussion of which is beyond the scope of this study, however, it would suffice to say that people are likely to learn in different ways. For instance, one person may be able to focus very strongly on a certain advertisement and be able to retain the information after being exposed only one time while another person may need to be exposed to the same advertisement many times before he/she even recognizes what it is. Consumers are also more likely to retain information if a person has a strong interest in the stimuli. If a person is in need of new car they are more likely to pay attention to a new advertisement for a car while someone who does not need a car may need to see the advertisement many times before they recognize the brand of automobile.

### **Marketing Implication:**

Marketers spend large sums of money in an attempt to get customers to have a positive impression of their products. But clearly the existence of a perceptual filter suggests that getting to this stage is not easy. Exposing consumers to a

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<sup>18</sup> Thompson & Strickland, (1999), 9<sup>th</sup> ed Prentice Hall.

product can be very challenging considering the amount of competing product messages (ads) that are also trying to accomplish the same objective (i.e., advertising clutter). So marketers must be creative and use various means to deliver their message. Once the message reaches consumer it must be interesting enough to capture their attention (e.g., talk about the product's benefits). But attending to the message is not enough. For marketers the most critical step is the one that occurs with awareness. Here marketers must continually monitor and respond if their message becomes distorted in ways that will negatively shape its meaning. This can often happen due in part to competitive activity (e.g., comparison advertisements). Finally, getting the consumer to give positive meaning to the message they have retained requires the marketer make sure that consumers accurately interpret the facts about the product.

### Knowledge

Knowledge is the sum of all information known by a person. It is the facts of the world as he/she knows it and the depth of knowledge is a function of the breadth of worldly experiences and the strength of an individual's long-term memory. Obviously what exists as knowledge to an individual depends on how an individual's perceptual filter makes sense of the information it is exposed to.

### **Marketing Implication:**

Marketers may conduct research that will gauge consumers' level of knowledge regarding their product. As we will see below, it is likely that other factors influencing consumer behavior are in large part shaped by what is known about a product. Thus, developing methods (e.g. incentives) to encourage consumers to accept more information (or correct information) may affect other influencing factors.

### Attitude

In simple terms attitude refers to what a person feels or believes about something. Additionally, attitude may be reflected in how an individual acts

based on his or her beliefs. Once formed, attitudes can be very difficult to change. Thus, if a consumer has a negative attitude toward a particular issue it will take considerable effort to change what they believe to be true.

**Marketing Implication:**

Marketers facing consumers who have a negative attitude toward their product must work to identify the key issues shaping a consumer's attitude then adjust marketing decisions (e.g., advertising) in an effort to change the attitude. For companies competing against strong rivals to whom loyal consumers exhibit a positive attitude, an important strategy is to work to see why consumers feel positive toward the competitor and then try to meet or beat the competitor on these issues. Alternatively, a company can try to locate customers who feel negatively toward the competitor and then increase awareness among this group.

Personality

An individual's personality relates to perceived personal characteristics that are consistently exhibited, especially when one acts in the presence of others. In most, but not all, cases the behaviors one projects in a situation is similar to the behaviors a person exhibits in another situation. In this way personality is the sum of sensory experiences others get from experiencing a person (i.e., how one talks, reacts). While one's personality is often interpreted by those we interact with, the person has their own vision of their personality, called self concept, which may or may not be the same as how others view us.

**Marketing Implication:**

For marketers it is important to know that consumers make purchase decisions to support their self concept. Using research techniques to identify how customers view themselves may give marketers insight into products and promotion options that are not readily apparent. For example, when examining consumers a marketer may initially build marketing strategy around more obvious clues to

consumption behavior, such as consumer's demographic indicators (e.g., age, occupation, income). However, in-depth research may yield information that shows consumers are purchasing products to fulfill self-concept objectives that have little to do with the demographic category they fall into (e.g., senior citizen may be making purchases that make them feel younger). Appealing to the consumer's self concept needs could expand the market to which the product is targeted.

### Lifestyle

This influencing factor relates to the way we live through the activities we engage in and interests we express. In simple terms it is what we value out of life. Lifestyle is often determined by how we spend our time and money.

### **Marketing Implication:**

Products and services are purchased to support consumers' lifestyles. Marketers have worked hard researching how consumers in their target markets live their lives since this information is key to developing products, suggesting promotional strategies and even determining how best to distribute products.

### Roles

Roles represent the position we feel we hold or others feel we should hold when dealing in a group environment. These positions carry certain responsibilities yet it is important to understand that some of these responsibilities may, in fact, be perceived and not be spelled out or even accepted by others. In support of their roles, consumers will make product choices that may vary depending on which role they are assuming. As illustration, a person who is responsible for selecting snack food for an office party his boss will attend may choose higher quality products than he would choose when selecting snacks for his family.

### **Marketing Implication:**

Advertisers often show how the benefits of their products aid consumers as they perform certain roles. Typically the underlying message of this promotional approach is to suggest that using the advertiser's product will help raise one's status in the eyes of others while using a competitor's product may have a negative effect on status.

### **Motivation**

Motivation relates to our desire to achieve a certain outcome. Many internal factors we have already discussed can affect a customer's desire to achieve a certain outcome but there are others. For instance, when it comes to making purchase decisions customers' motivation could be affected by such issues as financial position (e.g., can I afford the purchase?), time constraints (e.g., do I need to make the purchase quickly?), overall value (e.g., am I getting my money's worth?), and perceived risk (e.g., what happens if I make a bad decision).

### **Marketing Implication:**

Motivation is also closely tied to the concept of involvement, which relates to how much effort the consumer will exert in making a decision. Highly motivated consumers will want to get mentally and physically involved in the purchase process. Not all products have a high percentage of highly involved customers (e.g., milk) but marketers who market products and services that may lead to high level of consumer involvement should prepare options that will be attractive to this group. For instance, marketers should make it easy for consumers to learn about their product (e.g., information on website, free video preview) and, for some products, allow customers to experience the product (e.g., free trial) before committing to the purchase.



## **CUSTOMER ANALYSIS**

### **AIOD FRAMEWORK**

<b>NEED</b>	<b>SEGMENT</b>	<b>ACTIVITY</b>	<b>INTEREST</b>	<b>OPINION</b>	<b>DEMOGRAPHICS</b>
Refreshment	Businessmen	Business, sports, shopping	TV Shows, magazines, Community	Friends, relatives,	Age 18 and onwards Gender male and female
Health	Middle Aged People	Sports, club members, job	TV Shows, community, family oriented	Health magazines, friends	Age 40 and onwards Gender male and female
Energy	Student	College going	Family, community services, Eating out	Friends, families, magazines	Age 16 onward Gender male and females
Socialization	Party Lovers	Social events, parties, club members	Magazines, fashion, picnic, TV	Relatives, families, friends, futuristic	Age 20 onward Gender male and female

Tea is full of powerful natural compounds that are beneficial to health. Scientists have found that tea can have an inhibitory effect on cardiovascular disease and certain forms of cancer. It is an excellent contributor to oral health and has been found to help maintain bone density and reduce stress. Tea is both refreshing and relaxing—either hot or iced. Tea is versatile and compatible with many foods and flavorings. Tea provides a nearly endless array of taste sensations. Tea represents Old World traditions. Inviting friends for tea can provide an elegant social occasion.

## **External Influences**<sup>19</sup>

Consumer purchasing decisions are often affected by factors that are outside of their control but have direct or indirect impact on how we live and what we consume.

### **Culture**

Culture represents the behavior, beliefs and, in many cases, the way we act, learned by interacting or observing other members of society. In this way much of what we do is shared behavior, passed along from one member of society to another. Yet culture is a broad concept that, while of interest to marketers, is not nearly as important as understanding what occurs within smaller groups or sub-cultures to which we may also belong. Sub-cultures also have shared values but this occurs within a smaller groups. For instance, sub-cultures exist where groups share similar values in terms of ethnicity, religious beliefs, geographic location, special interests and many others.

### **Marketing Implication:**

As part of their efforts to convince customers to purchase their products, marketers often use cultural representations, especially in promotional appeals. The objective is to connect to consumers using cultural references that are easily understood and often embraced by the consumer. By doing so the marketer hopes the consumer feels more comfortable with or can relate better to the product since it corresponds with their cultural values. Additionally, smart marketers use strong research efforts in an attempt to identify differences in how sub-culture behaves. These efforts help pave the way for spotting trends within a sub-culture, which the marketer can capitalize on through new marketing tactics (e.g., new products, new sales channels, added value, etc.).

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<sup>19</sup> [www.knowthis.com](http://www.knowthis.com), “Consumer Buying Behavior”, 2006

## Other Group Membership

In addition to cultural influences, consumers belong to many other groups with which they share certain characteristics and which may influence purchase decisions. Often these groups contain opinion leaders or others who have major influence on what the customer purchases. Some of the basic groups we may belong to include:

- Social Class – represents the social standing one has within a society based on such factors as income level, education, occupation
- Family – one's family situation can have a strong effect on how purchase decisions are made
- Reference groups – most consumers simultaneously belong to many other groups with which they associate or, in some cases, feel the need to disassociate

### **Marketing Implication:**

Identifying and understanding the groups consumers belong to is a key strategy for marketers. Doing so helps identify target markets, develop new products, and create appealing marketing promotions to which consumers can relate. In particular, marketers seek to locate group leaders and others to whom members of the group look for advice or direction. These opinion leaders, if well respected by the group, can be used to gain insight into group behavior and if these opinion leaders accept promotional opportunities could act as effective spokespeople for the marketer's products.

### Situation

A purchase decision can be strongly affected by the situation in which people find themselves. Not all situations are controllable, in which case a consumer may not follow their normal process for making a purchase decision. For instance, if a

person needs a product quickly and a store does not carry the brand they normally purchase, the customer may choose a competitor's product.

### **Marketing Implication:**

Marketers can take advantage of decisions made in uncontrollable situations in at least two ways. First, the marketers can use promotional methods to reinforce a specific selection of products when the consumer is confronted with a particular situation. For example, automotive services can be purchased that promise to service vehicles if the user runs into problems anywhere and at anytime. Second, marketers can use marketing methods that attempt to convince consumers that a situation is less likely to occur if the marketer's product is used. This can also be seen with auto products, where marketers explain that using their product will prevent unexpected damage to their vehicles.

### **How Consumers Buy**

So now that we have discussed the factors influencing a consumer's decision to purchase, let's examine the process itself. This process is presented in a sequence of 5 steps as shown below (Philip Kotler, 2003).



However, whether a consumer will actually carry out each step depends on the type of purchase decision that is faced. For instance, for minor re-purchases the consumer may be quite loyal to the same brand, thus the decision is a routine one (i.e., buy the same product) and little effort is involved in making a purchase

decision. In cases of routine, brand loyal purchases consumers may skip several steps in the purchasing process since they know exactly what they want allowing the consumer to move quickly through the steps. But for more complex decisions, such as Major New Purchases, the purchasing process can extend for days, weeks, months or longer. So in presenting these steps marketers should realize that, depending on the circumstances surrounding the purchase, the importance of each step may vary (Philip Kotler, 2003):

### 1. Need/Want/Desire is Recognized

In the first step the consumer has determined that for some reason he/she is not satisfied (i.e., consumer's perceived actual condition) and wants to improve his/her situation (i.e., consumer's perceived desired condition). For instance, internal triggers, such as hunger or thirst, may tell the consumer that food or drink is needed. External factors can also trigger consumer's needs. Marketers are particularly good at this through advertising, in-store displays and even the intentional use of scent (e.g., perfume counters). At this stage the decision-making process may stall if the consumer is not motivated to continue. However, if the consumer does have the internal drive to satisfy the need they will continue to the next step.

### 2. Search for Information

Assuming consumers are motivated to satisfy his or her need, they will next undertake a search for information on possible solutions. The sources used to acquire this information may be as simple as remembering information from past experience (i.e., memory) or the consumer may expend considerable effort to locate information from outside sources (e.g., Internet search, talk with others, etc.). How much effort the consumer directs toward searching depends on such factors as: the importance of satisfying the need, familiarity with available solutions, and the amount of time available to search. To appeal to consumers

who are at the search stage, marketers should make efforts to ensure consumers can locate information related to their product. For example, for marketers whose customers rely on the Internet for information gathering, attaining high rankings in search engines has become a critical marketing objective.

### 3. Evaluate Options

Consumers' search efforts may result in a set of options from which a choice can be made. It should be noted that there may be two levels to this stage. At level one the consumer may create a set of possible solutions to their needs (i.e., product types) while at level two the consumer may be evaluating particular products (i.e., brands) within each solution. For example, a consumer who needs to replace a television has multiple solutions to choose from such as plasma, LCD and CRT televisions. Within each solution type will be multiple brands from which to choose. Marketers need to understand how consumers evaluate product options and why some products are included while others are not. Most importantly, marketers must determine which criteria consumers are using in their selection of possible options and how each criterion is evaluated. Returning to the television example, marketing tactics will be most effective when the marketer can tailor their efforts by knowing what benefits are most important to consumers when selecting options (e.g., picture quality, brand name, screen size, etc.) and then determine the order of importance of each benefit.

### 4. Purchase

In many cases the solution chosen by the consumer is the same as the product whose evaluation is the highest. However, this may change when it is actually time to make the purchase. The "intended" purchase may be altered at the time of purchase for many reasons such as: the product is out-of-stock, a competitor offers an incentive at the point-of-purchase (e.g., store salesperson mentions a competitor's offer), the customer lacks the necessary funds (e.g., credit card not

working), or members of the consumer's reference group take a negative view of the purchase (e.g., friend is critical of purchase). Marketers whose product is most desirable to the consumer must make sure that the transaction goes smoothly. For example, Internet retailers have worked hard to prevent consumers from abandoning online purchase (i.e., online shopping carts) by streamlining the checkout process. For marketers whose product is not the consumer's selected product, last chance marketing efforts may be worth exploring, such as offering incentives to store personnel to "talk up" their product at the checkout line.

## 5. After-Purchase Evaluation

Once the consumer has made the purchase they are faced with an evaluation of the decision. If the product performs below the consumer's expectation then he/she will re-evaluate satisfaction with the decision, which at its extreme may result in the consumer returning the product while in less extreme situations the consumer will retain the purchased item but may take a negative view of the product. Such evaluations are more likely to occur in cases of expensive or highly important purchases. To help ease the concerns consumers have with their purchase evaluation, marketers need to be receptive and even encourage consumer contact. Customer service centers and follow-up market research are useful tools in helping to address purchasers' concerns.

As we've seen, consumer purchasing is quite complex. Next we examine how a Brand of tea translates/moulds itself to fit into these perceptions and attitude

### **Mind Measure**

This measurement base holds a lot of relevance when it comes to buying tea. It holds into account the following attributes (Juxtconsult, 2005):

- Top of mind state
- Spontaneous state (including Top of mind and other mind states)

- Total Aware

If a brand achieves the Top of Mind state, Buyer will readily purchase the brand without further searching. Spontaneous state will require further search by the buyer before he actually makes the purchasing decision and buys the product.

However, Roy H. Williams has rightly mentioned:

“The key to measuring brand essence is to slip past the analytical mind into the heart of the matter: gut feelings. This is where real decisions are made and where brands are known”

(Roy H. Williams, “How to measure the Strength of a Brand”)

Williams further mentions in one of his other books “Wizard of Ads”: “Win the heart and the mind will follow” The mind (logical left brain) can always find logic to justify what the heart (intuitive right brain) has already decided (Williams, 199-).

Asked for their opinions, people go to a different place in their minds than the place they go when they actually decide. Articulated opinions emerge from the filtered left brain, but brand essence resides in the right. (Dr. Roger Sperry, “Brain Lateralization”, 1981).

Following is the 5 step technique that Roy H. Williams terms Evocative Word Association to hear from the heart (We have translated it for our study):<sup>20</sup>

1. “Please name every tea brand you can think of.”

It is essential that you introduce no names at this point, or at any point in the survey. It is used to measure unaided recall, and to bring consciousness (Working Memory) previously buried. The total number of times your name is mentioned, divided by total mentions, will indicate your brand’s Share of Mind.

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<sup>20</sup> Roy H. Williams, “How to measure strength of a Brand”, 199-



2. Repeat back all the name mentioned by the respondents to them. Ask if they can name any others. Continue until they say that no others can be named.
3. "I am now going to say a series of words, and after each word I'd like you to say the name of the first Brand that comes to your mind. Just blurt it out. There are no wrong answers."
4. You mention attributes like: "Premium Quality", "Sociable", "Refreshing", "Young", "Overpriced", "Deceptive" and so on.
5. When an acceptable sample size has been gathered, the words that each brand "owns", both good and bad will reveal far more about the perceptions the consumer holds about the tea brand than any other type of analysis that can be done. An additional advantage of this technique is that it doesn't just measure the brand in question, but the entire category as a whole, revealing the relative strengths and weaknesses of each competitor in a fascinating spectrum of public perception.

# BRAND ANALYSIS

## Brand Personality<sup>21</sup>

Brand personality is the human characteristics or traits that can be attributed to a brand. Brand personality reflects how people feel about a brand rather than what they think the brand is or does. A brand like a person can be characterized as being “modern, old fashioned, lively, or exotic.” A brand with right personality can result in a consumer feeling that the brand is relevant and “my kind of product”. A consumer may be more willing to invest in a relationship or even develop a “friendship” with the brand as a result. Advertising may affect brand personality by the manner in which it depicts the brand, for example, by the actor in an ad, the tone or style of the creative strategy, and the emotions or feelings evoked by the brand.

TAPAL because of its advertisement is seen by consumers as a reliable, honest, daring, and tough brand of tea. As shown in the advertisements that by having a cup of TAPAL, a man can move a tree alone and can work for the cause of a human being. It is wholesome, cheerful and down-to-earth brand

## Brand Elements of Tapal

A brand is not a commodity that an organization can buy. A successful brand is a highly valued asset that the best companies build for themselves, their customers and the markets that they serve. A brand encompasses organizational behavior, product nomenclature, marks, positioning, brand associations, and brand personality - it is not simply a matter of creating a new look and feel with a shiny new logo. What really matters is creating the right associations, the correct definitions of what the brand and company name stand for, and the trust and

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<sup>21</sup> Brand management plan by M. A. Hussain.

loyalty that they deliver. The brand conveys the aspirations of the organization, and it is the brand that helps to attract and retain customers.<sup>22</sup>

Brand elements work together to form what will be well known and unmistakable appearance of Tapal tea. Clear and consistent application of these elements throughout the sub-brands of Tapal group will ensure nation wide recognition.

## Logo



The Tapal logo is a word Tapal written in a special font which gives it a strong and ethnic look, at it uses the red color because it symbolizes the heat in the tea. The logo is in white colors embedded in a red background.

## Slogan

**tapalmakesteatimeterrific**



Tapal doesn't use a single slogan; therefore this is an error which it has been doing at its part. Somewhere it is written as "Tapal makes tea time terrific" and sometimes we see, "Tapal, a national company with a true national spirit", and elsewhere "A Rich Aromatic and Refreshing Tea". What it needs is uniformity in its slogan so that it becomes recognized and people can just associate the Tapal name whenever that slogan is heard or seen. Another point to note is that on the website of Tapal tea the above mentioned slogan is written in a very confusing manner, with the words joined to each other, which needs to be clearer.

## Jingle/Songs

The "Jaisay Chaho Jeeo", slogan and the song by Najam Sheraz became the hallmark of Tapal tea, it has been using songs like "Jaisay Chaho Jeeo", and

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<sup>22</sup> Ibid.

“Jeeto meray laal” to have positive associations about the brand. The recent advertisements and the jingles have all been very catchy and smart. This has been in total contrast to what we were used to of seeing of Tapal a couple of years back. Another very popular background is ‘Lagay na nazar’. These jingles have given Tapal a very strong edge in radio advertising.

## Packaging

Packaging involves the activities of designing and producing containers or wrappers for a product. The packaging of the TAPAL products identify the brand name, convey descriptive information, facilitate product transportation and protection, assist at-home storage, and aid product consumption. The aesthetics like package’s size and shape, material, color, text and graphics used portray the quality of TAPAL products. TAPAL Tezdum is the first tea brand in Pakistan, which is 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.

## Brand Health Pyramid



In order to analyze the strength of the brand, Brand Health Pyramid is developed to see where a particular brand stands in terms of its image in the market.(Millward Brown, 1995) The consumers are categorized in the following way:

Conviction must endorse at least 3 of the following attributes in terms of preference:

- Appeal more  
Tastes/works better (or equivalent)
- Better quality

- Better value for the price you pay
- Offer something different

Advantage must endorse any of the following:

- Appeal more
- Tastes/works better (or equivalent)
- Better quality
- Better value for the price you pay

Acceptable Performance do not endorse:

- Tastes/works worse
- Poor quality for the price you pay

Relevance do not endorse:

- Costs more than I'm prepared to pay
- Too cheap to be of acceptable quality
- Doesn't meet needs
- Doesn't appeal

Presence endorses:

- Total spontaneous awareness and/or ever tried/used

At the Bottom of the Pyramid lies the Presence level that measures deviations in terms of trial and awareness of the brand (Millward Brown, 2006).

Second Bottom is the Relevance level that measures deviations in terms of the following attributes:

- Costs too much
- Too cheap
- Not meeting my(our) needs
- Lack Appeal

Third in the BHC Pyramid is the Acceptance level that diagnoses the brand in the following attributes:

- Performs worse
- Poor quality for the price

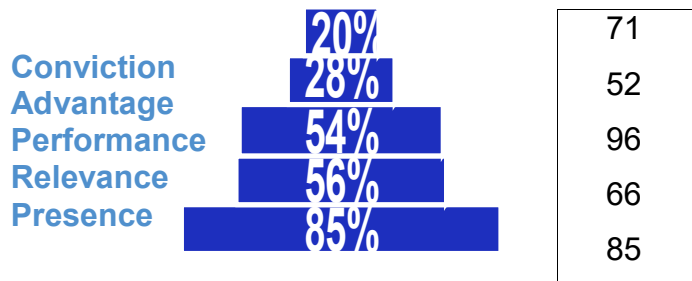
Second in the Pyramid is the Advantage level that measures deviations in the following attributes:

- Better value
- Appeal More
- Performs better
- Better quality

At the top of BHC pyramid lies the Conviction level that includes the following attributes of measurement:

- Better value
- Appeal More
- Performs better
- Better quality
- Different

Based on these attributes the Brand's Health is measured. Let us give an example to further clarify our stance. Consider Brand X. Following is its BHC:



The brand's goal is to go higher on the BHC. 85% of the total participant have placed X at presence level, 56% think the brand lies at Relevance Level and so on. Now, if we further analyze it, 66% of the Presence Level Consumers also think that Brand X has relevance. 96% of the Relevance Level also judge X as making it up to the Performance Level and so on.

An ideal scenario will have the following BHC:

Conviction	100%
Advantage	100%
Performance	100%
Relevance	100%

Conversion from one level to the highest level of conviction is the every brand's ideal scenario.

### **Brand (Tea) Image**

When it comes to tea, Consumers look for various factors that they may not consider/perceive as important in other products or for that matter even other beverages. Following factors of consumer's perceptions based on which Brand's image is measured (MB ATP Presentation, 2006):

- Overall, the best tea
- Helps clear the mind
- Is a natural/healthy drink
- Is suitable for sharing with others
- Is great to drink anytime/anyplace
- Is a sociable drink
- Let you get more out of life
- Is contemporary and up to date
- Is for lively/energetic people
- Has the freshest tea taste

- Relax and revive you
- Brings us together
- Has the best taste
- Good aroma
- Right strength
- Premium quality
- Attractive packaging
- Selected by experts
- Trusted
- Helps me express love and care for my family
- For people like me
- Is good to serve to guests
- Has the right color



## MARKET SHARE ANALYSIS

### BCG Growth Share Matrix

It is one of the earliest portfolio approaches to gain extensive use in the four-cell matrix developed by the Boston Consulting Group (BCG). The BCG growth-share matrix compares various businesses in an organization's portfolio on the basis of relative market share and market growth rate. The attributes taken for calculating the market share are given equal weight as they all are equally important.

TAPAL (danedar)			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	4	0.64
Price	0.16	4	0.64
Availability	0.16	4	0.64
Aroma	0.16	3	0.48
Brand recognition	0.16	4	0.64
Variety	0.16	4.5	0.72
			<b>Sum = 3.76</b>

SUPREME			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	3.5	0.56
Price	0.16	3	0.48
Availability	0.16	3.5	0.56
Aroma	0.16	3.5	0.56
Brand recognition	0.16	3.5	0.56
Variety	0.16	3	0.48
			<b>Sum = 3.20</b>

YELLOW LABEL			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	4.2	0.67
Price	0.16	3	0.48
Availability	0.16	3.5	0.56
Aroma	0.16	4.2	0.67
Brand recognition	0.16	4	0.64
Variety	0.16	3.5	0.56
			<b>Sum = 3.58</b>

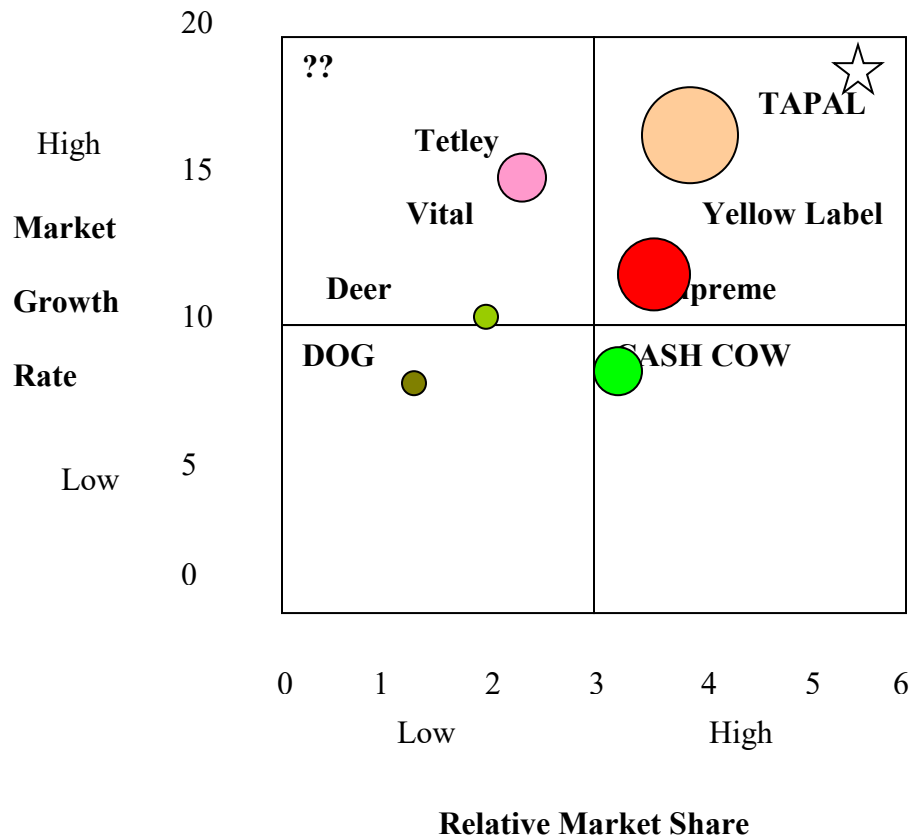
TETLEY			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	4	0.64
Price	0.16	3.75	0.6
Availability	0.16	1.5	0.24
Aroma	0.16	3	0.48
Brand recognition	0.16	2	0.32
Variety	0.16	2	0.32
			<b>Sum = 2.6</b>

VITAL			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	2.5	0.4
Price	0.16	3.5	0.56
Availability	0.16	1.5	0.24
Aroma	0.16	2	0.32
Brand recognition	0.16	1.5	0.24
Variety	0.16	1.5	0.24
			<b>Sum = 2</b>

DEER			
ATTRIBUTE	WEIGHT	SCALE (1-5)	WEIGHTED INDEX
Taste	0.16	2	0.32
Price	0.16	3	0.48
Availability	0.16	1.5	0.24
Aroma	0.16	1.5	0.24
Brand recognition	0.16	1.5	0.24
Variety	0.16	1.5	0.24
			<b>Sum = 1.76</b>

*In case of Tea industry in Pakistan the industry is growing **at a double digit growth rate**. The approximately market growth rate for the industry is 15 %.*

**Market growth rate = approximately 15%**



All the attributes on which market share has been calculated have given equal weight because any decrease in weight would off set the competitive advantage. These attributes are crucial to please the customers or to keep the customers satisfied.

## Y and R Brand Asset Valuator:

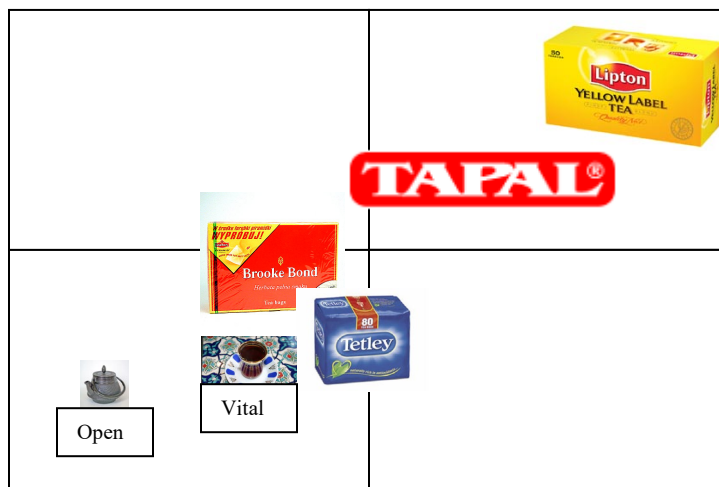
<b>BRANDS</b>	Differentiation (1-6)	Relevance (1-6)	Brand Strength	Esteem (1-6)	Knowledge (1-6)	Brand Stature
LIPTON	4	4	16	4.5	4	18
TAPAL	4.5	2.5	11.25	4	4	16
SUPREME	3	3.5	10.5	4.5	3.5	16
TETLEY	2.5	2.5	9	4.25	3.5	14.875
VITAL	3	2.5	7.5	2	2.75	5.5
OPEN	2.5	2.5	6.25	1.25	1.5	1.875

## Y & R Power Grid (*Stature Vs Strength*)

### Brand Stature (Knowledge & Esteem)

Low

High



High

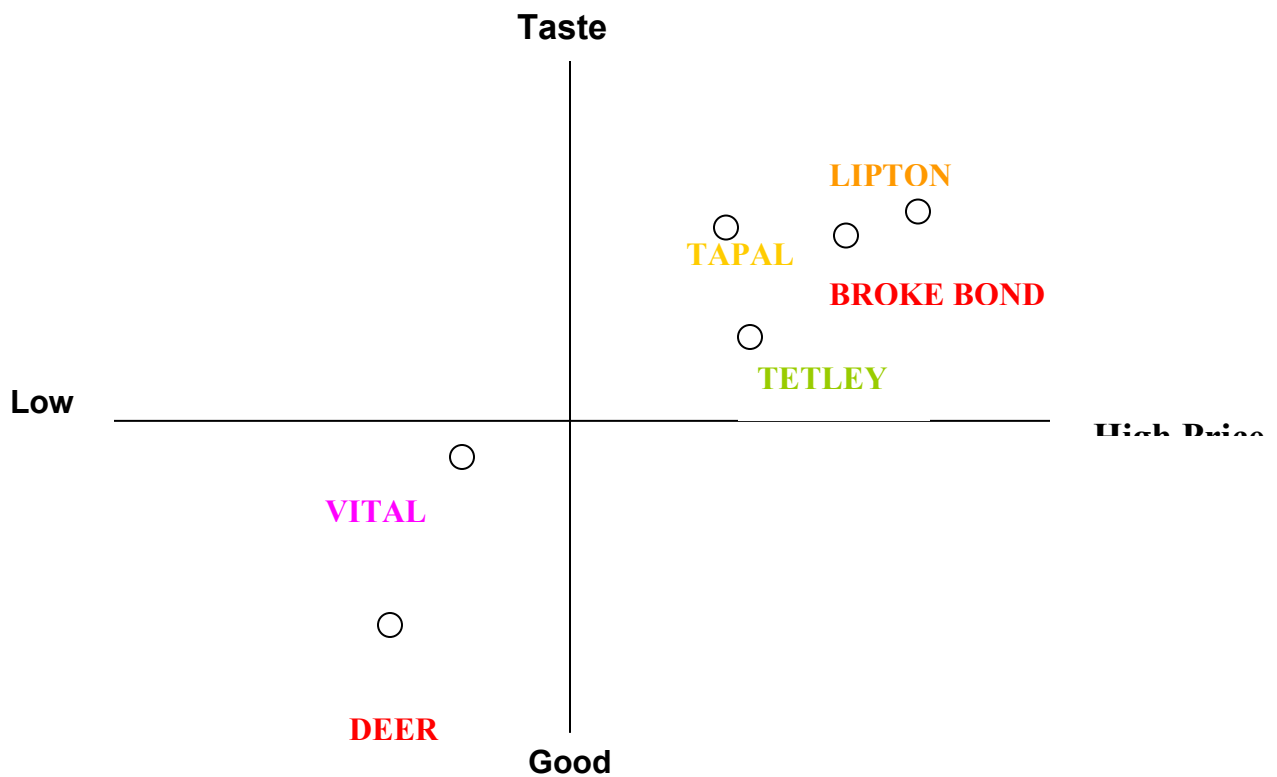
Brand Strength  
(Differentiation &  
Relevance)

Low

# POSITIONING

The broad positioning statement of all brands of Tapal Tea is “Good quality with economy.” Tapal positions each of its brands differently. Safari PF 1 is positioned as a tea to refresh and rejuvenate, it has an emotional appeal stressing an exciting life. Tapal Jasmine Tea is positioned as “Mood banaye Dil Garmaye”, Tapal Danedar a special, granular, leaf blend with a strong colour and a fine flavour positioned as “Jaisey Chao Jiyo”, Gulbahar tea is positioned as an after dinner option or a warming drink during winter. Tapal special tea bags as a blend rich in aroma, colour and taste than any other in the same category, Chenak Dust as a higher quality dust for those fond of the out doors and Mezban<sup>23</sup> as a superior quality, full flavored dust.

## First Perceptual Map



<sup>23</sup> [www.tapaltea.com](http://www.tapaltea.com)

The attributes for the first perceptual map are:

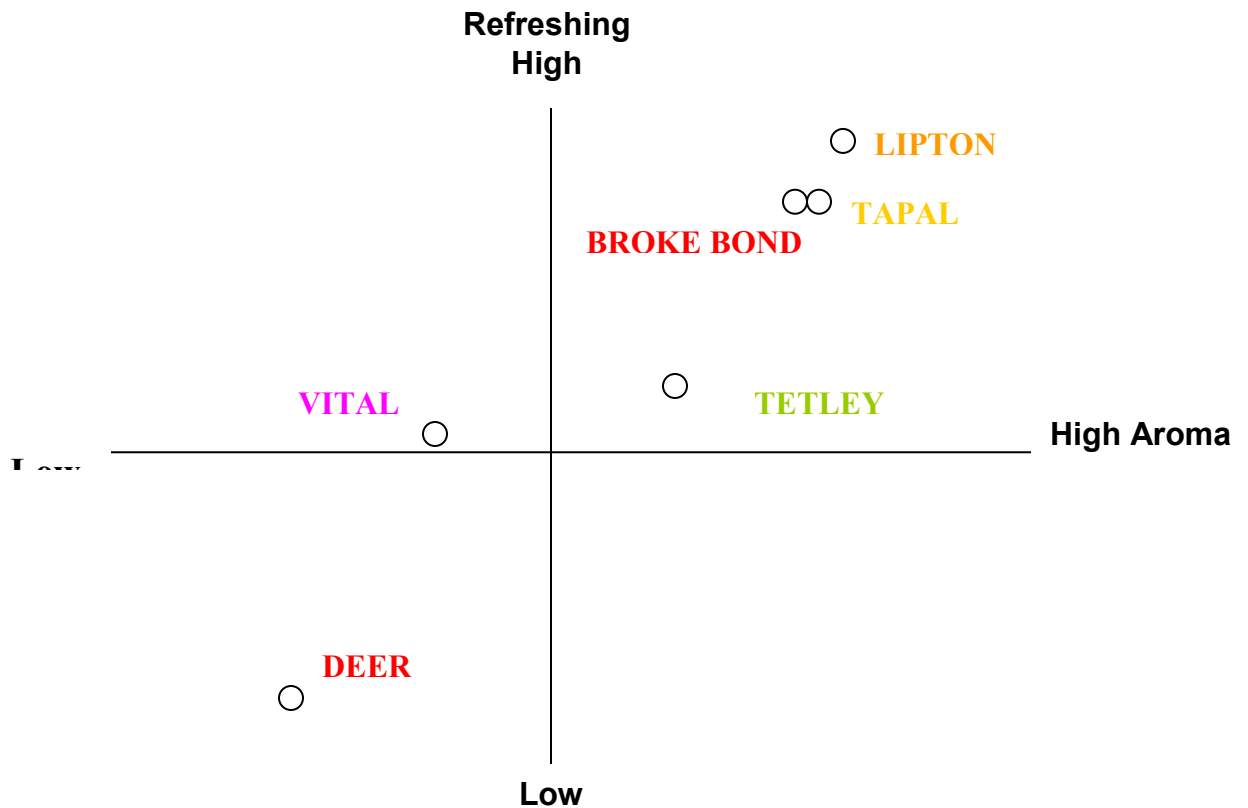
- Taste
- Price

In case of TAPAL the prices of the TAPAL tea products are slightly less than the other brands. For example, the price of TAPAL Tea Danedar jar of weight 450g is Rs.119 whereas the YELLOW LABEL Tea Danedar Jar of same weight is of Rs. 125. The price of TAPAL Tea Bag of weight 200g has a price of Rs. 95 while the price of YELLOW LABEL BAG of weight 200g is Rs. 115. (Source: [http://www.csd.com.pk /prices](http://www.csd.com.pk/prices)) The taste of TAPAL tea products is slightly less than other tea brands in the market. Pioneer of the Danedar category in Pakistan, Tapal Danedar remains a favorite around the country with its grape-nutty appearance, rich golden color and strong refreshing taste.

Broke Bond prices are less than Lipton and its taste is nearly same as Lipton's taste. The 450g SUPREME Jar is of Rs. 114 whereas the price of 450 g YELLOW LABEL JAR is Rs.125. (Source: [http://www.csd.com.pk /prices](http://www.csd.com.pk/prices)) A pack of 400 grams of Tetley tea has a price tag of Rs 100 while Tapal's 500 grams pack is available at Rs 120.



## Second Perceptual Map

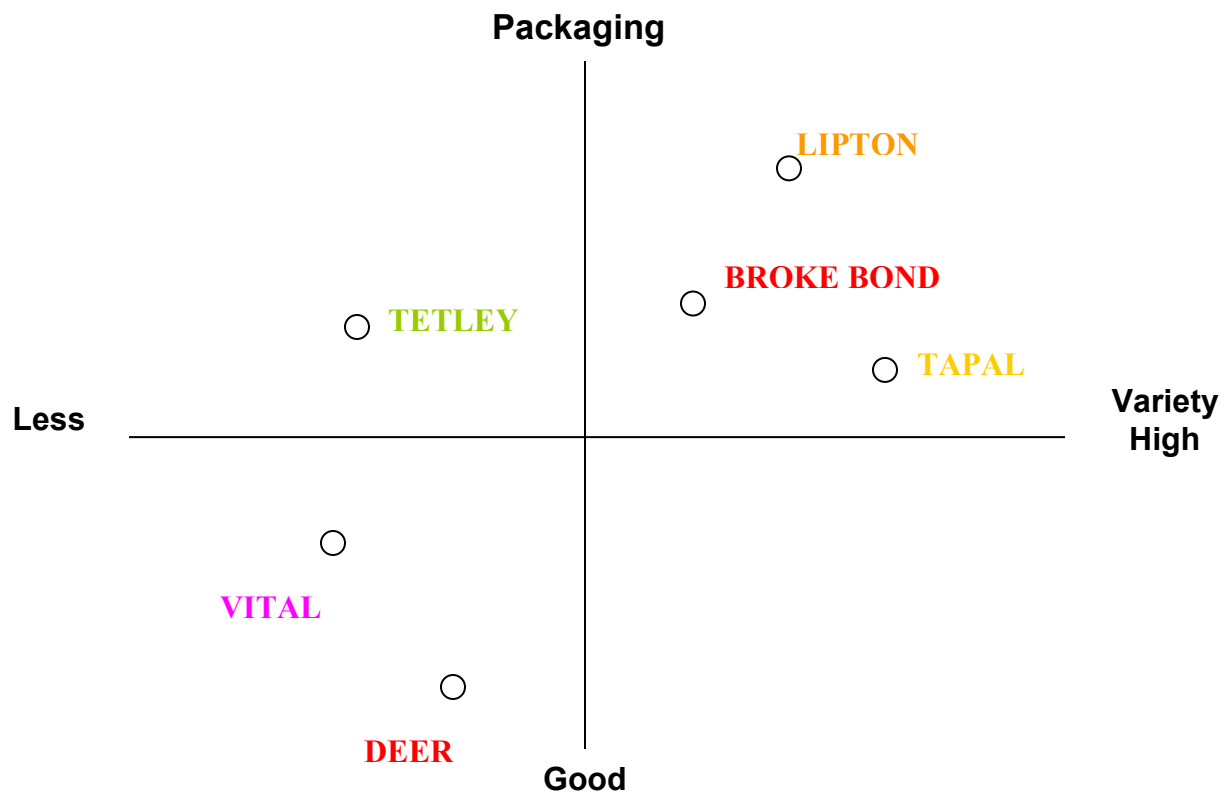


The attributes for second perceptual map are:

- Freshness
- Aroma

The aroma of TAPAL is equal to BROKE BOND and less than Lipton YELLOW LABEL but in case of freshness all tea brands are nearly equal to each other. 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.

## Third Perceptual Map

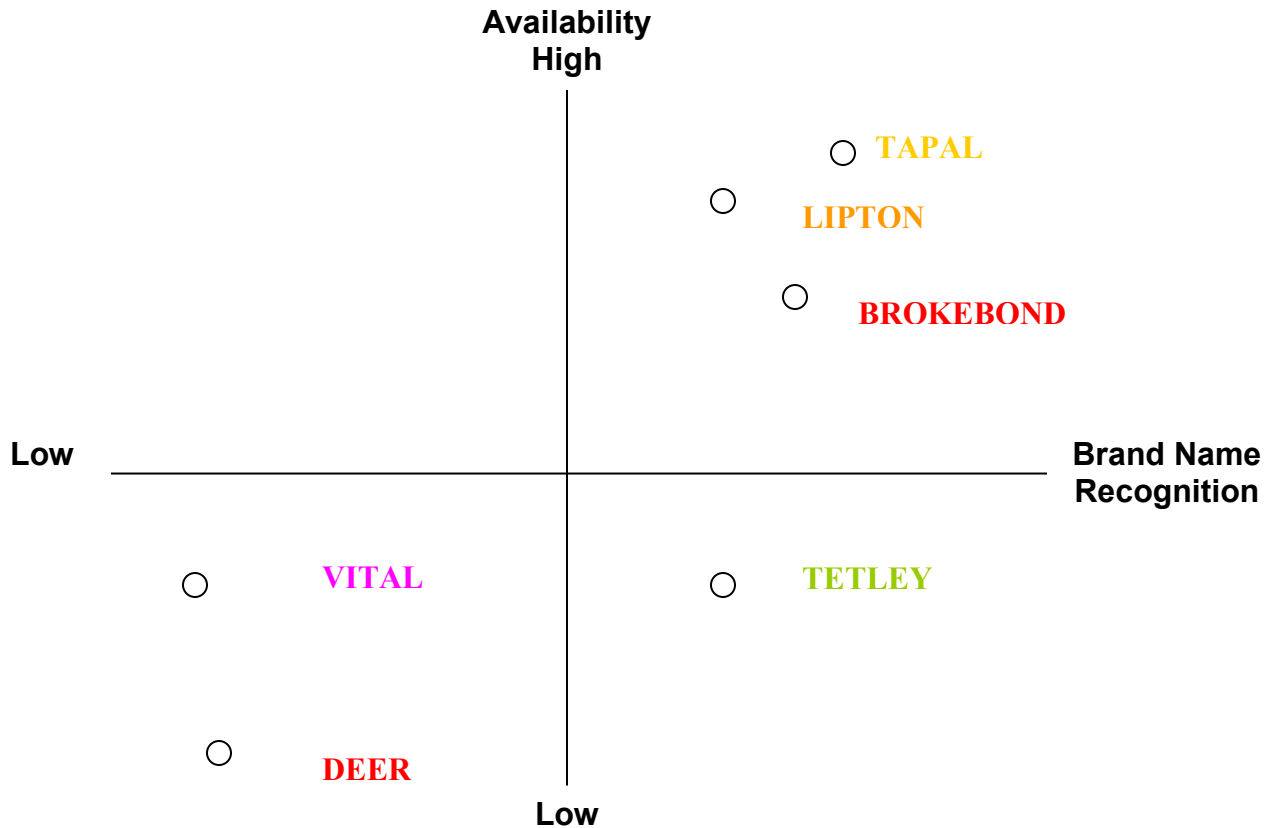


The third perceptual map attributes are:

- Sub Brands
- Packaging

In case of TAPAL, it has nine varieties namely Danedar Leaf Blend, family mixture, Safari Kenya Leaf, Mezban Super Dust, Chenak Kenya Dust, Special Tea Bags, Jasmine Green Tea, Gulbahar Green Tea, Tezdum, and Special Round Tea Bags. All the brands have their own packaging representing the product inside. In case of YELLOW LABEL, it has Pearl Dust, Tea YELLOW LABEL, and YELLOW LABEL Danedar. The packaging of TAPAL is not better than the other tea brands. TETLEY firm has initially introduced two tastes namely “Danedar” and “Mixture.”

## Fourth Perceptual Map



The fourth perceptual map attributes are:

- Brand Name
- Availability

Brands TAPAL, BROKE BOND SUPREME and Lipton YELLOW LABEL are easily recognized and available in the market because of their presence in the market for a long time whereas the brand TETLEY had arrived in Pakistani market in 2004 so it has less brand recognition and availability in the market of

Pakistan. The brands VITAL and DEER have low brand recognition and are available in only few markets of Pakistan.

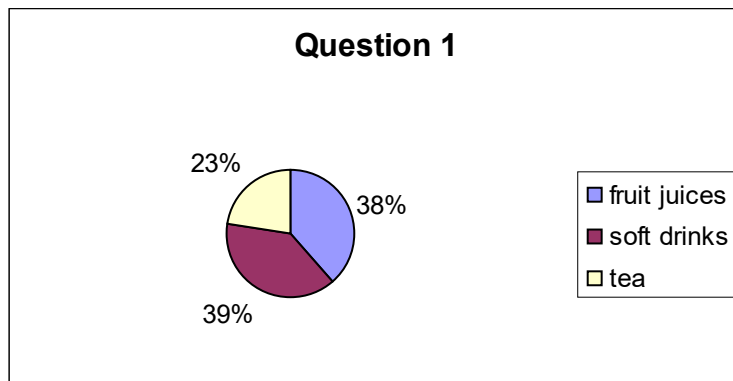
# FINDINGS AND ANALYSIS

## Analysis of Survey

### Question 1

#### What is your main choice of beverage?

The question was asked basically as an introductory type question, however it does tie in to perceptions, in the sense that only 23% of the population considers tea their main choice of beverage, even though we have taken only tea drinkers in the sample. Thus it seems to link to the overall prevailing theme in the data that tea is not considered a drink associated with young people.



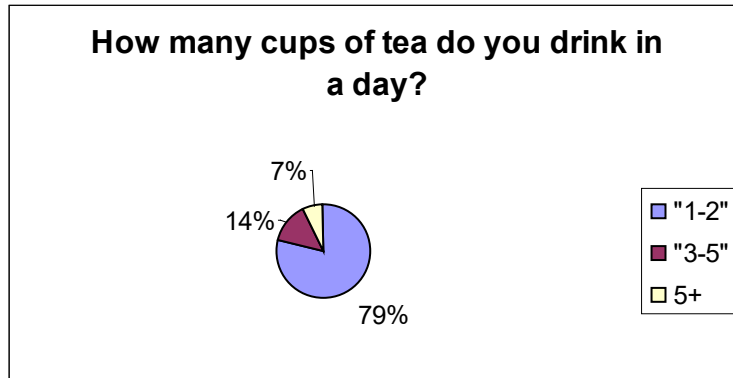
### Analysis

39% of the participants's main choice of beverage is soft drinks, 38% prefer fruit juices and 23 % choose tea as the beverage of preference. This shows that even though we have taken tea drinkers only in our sample, still tea is not the primary beverage of choice for the sample.

## Question 2

### How many cups of tea do you drink in a day?

The question was asked to get a basic idea of whether our sample is made up of habitual, heavy drinkers of tea or more casual tea drinkers.



### Analysis

79% drink 1-2 of cups per day, 3-5 of tea are drunk by 14% of the participants whereas 7% drink more than 5 cups a day. This suggests that our sample comprises of people who do not drink large amounts of tea. Even though all members of the sample drink at least one cup per day.

## Question 3

### What comes to your mind when you look at a cup of tea?

### Intpretation

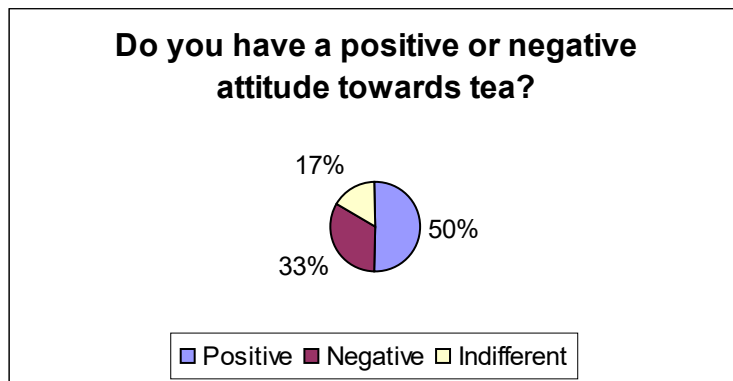
19 participants answered "Relaxing" or "Relaxation" whereas the other answers were mostly different from each other. 6 answered "Lipton" and "Hot", 5 wrote "Tapal", "Provides relief to Bad throat", "Sugar", "Milk and Leaves", "Fresh Feeling", "Better Be good" and many answered "Nothing" or left it blank.

## Analysis

The question was asked to tap into perceptions about tea. Relaxation seems a common theme, and a lot of people appear to be quite indifferent to the thought of tea, conjuring up no images at all.

## Question 4

**Do you have a positive or negative attitude towards tea?**



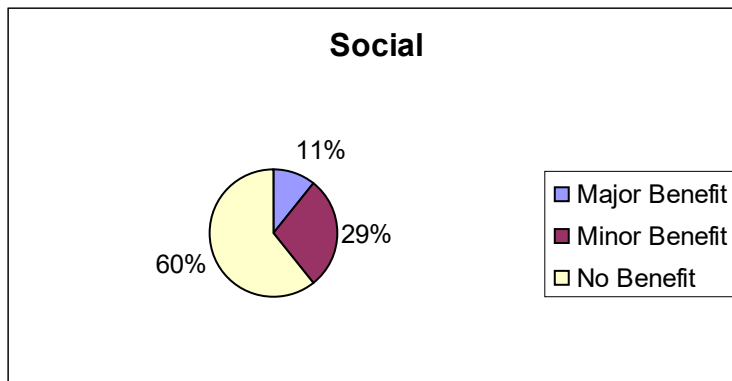
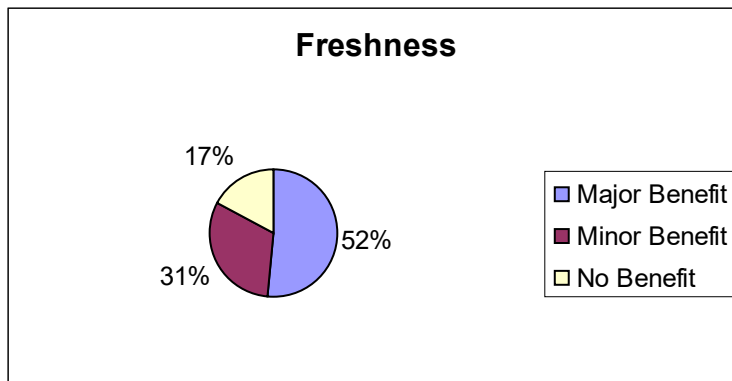
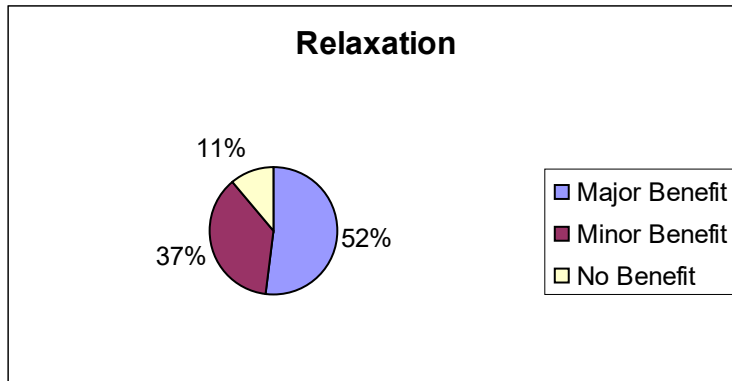
The question directly targets our hypothesis relating to attitudes.

## Analysis

50% of the participants had a positive attitude towards tea. 33% had negative attitude whereas 17% were indifferent. While the number of participants with a positive attitude is not far from our hypothesis for the population, it is actually surprisingly low. This is because the population is made up of tea drinkers and it is quite startling that about half the population do not have a positive attitude towards tea even though they do drink tea.

### Question 5

Do you think tea would have major benefits, minor benefits or no benefits on.. (Relaxation, Freshness and Social)?



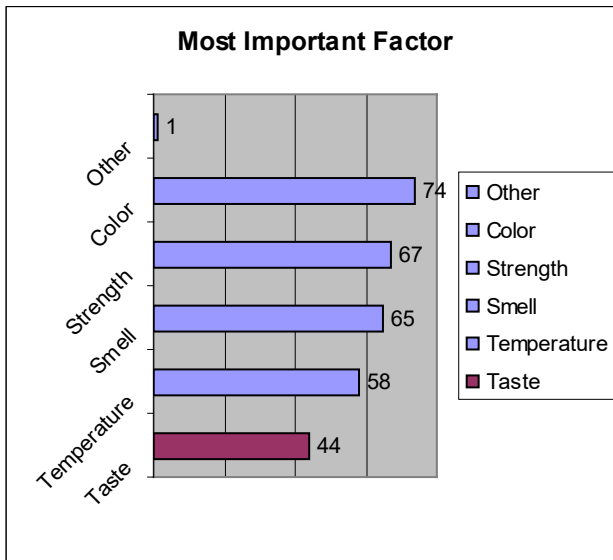
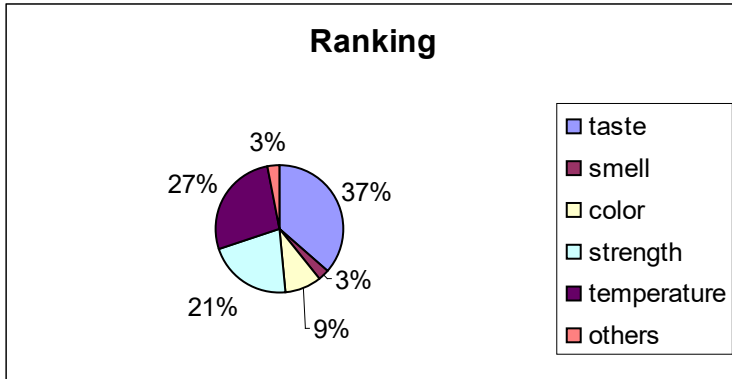
### Analysis

52% of the participants feel that tea provides major benefits in relaxation and Freshness whereas 60% say there is No Social Benefit of tea.



### Question 6

What Factor do you rank most important in a satisfying cup of tea? Rank Each Factor 1-5, 1 being the most important (1-6 if other factors mentioned)?



### Analysis

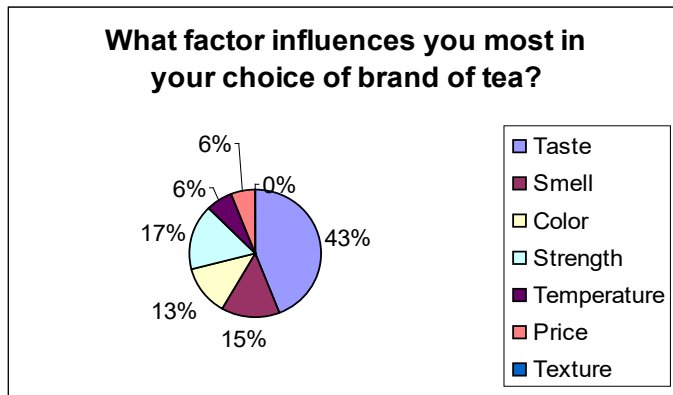
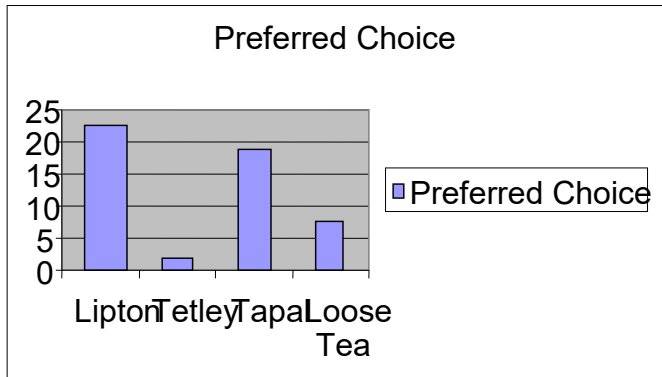
The first table shows the percentage of people who ranked the mentioned attributes as “1”. 37% of the participants ranked taste as the most important factor. Temperature and Strength fall second and third respectively. The second table is basically the sum of the ranks given to these factors. Taste having the lowest score qualifies for the most important factor. One person mentioned

“Concentration” factor and ranked it 2. The rest of the participants ranked the 5 choices given.

**Question 7 and 8**

**Which Brand of Tea would you prefer to drink?**

**Why do you prefer to drink this brand?**



**Analysis of Question 7 and 8**

These questions were asked to reconfirm the test of the hypothesis about the most important factor. I wanted to give the participant a reference point (in terms of Brand Choice) to assist them in answering for the most important factor. Question 7 asked about the Brand of preference and the second question asked for the reason of their Brand Choice. 43% of the participants again mentioned taste as the factor that influenced their choice of tea. 17% mentioned tea as the factor influencing their choice of tea.

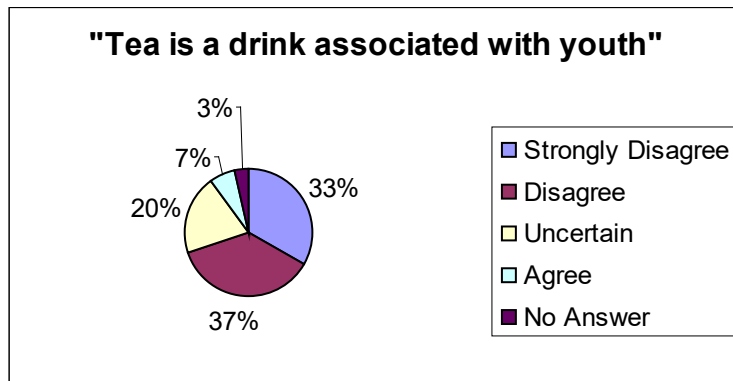
### Question 9

List the factor which makes you avoid choosing the brand of tea which they do not drink.

### Analysis

This is an open ended question which asked participants to list the factor which made them avoid choosing the brand of tea which they did not drink. Majority of the participants mentioned taste. This tied in with findings from other questions which suggest taste as the most important factor. When taste positively influences the participants to choose a certain brand it makes sense that they are negatively influenced by the same factor.

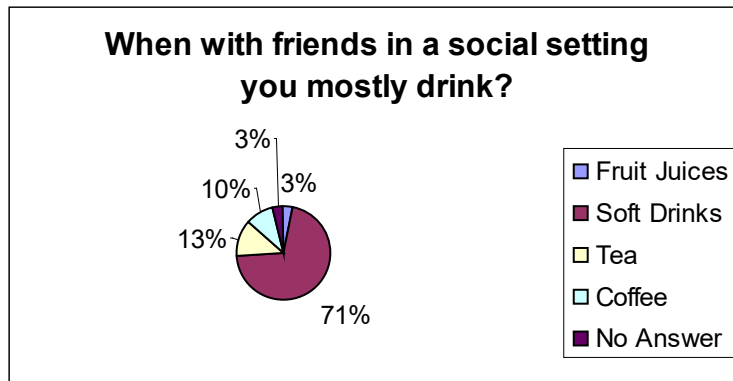
### Question 10 :



### Analysis

93% of the participants do not associate Tea with Youth. This suggests that efforts of leading tea companies to position tea as a youthful drink have been ineffective.

## Question 12



### Analysis

I asked this question to measure the extent of social influences on the choice of drink. The data suggests a very limited social influence on the choice to drink tea. Bearing in mind the fact that I have surveyed only tea drinkers, one can see that even though the participants all drink tea, only 13% of them choose to drink tea when with friends. While they may have other reasons to drink tea, the social setting might not be that influential. The same inference is supported by Question 5 where 60% of the participants find no social benefit in drinking tea.

## Question 13

**If your particular tea brand is not available at the shop, do you search for it in other shops or buy any other tea?**

### Analysis

The data revealed that the customers of both Lipton and Tapal are brand loyal. If they cannot get their required brand they will search for the same at another shop.

## **Question 14**

**Since how many years are you using the current tea brand?**

### **Analysis**

This showed whether the consumers are attracted more to Tapal or its chief rival Lipton. For this study, respondents using the current brand for more than 8 years were taken as spending ages with the brand. The results show that 56% of the respondents use the present brand since less than 8 years. Out of these 18% are Lipton users whereas 82% are Tapal users. This shows that Tapal tea is attracting more consumers.

### **Ethical Considerations**

Throughout the study I have emphasized confidentiality, privacy and informed consent. Participants were clearly informed about what the study was and why it was being performed. Tea is in no way a taboo subject and if participant's views were even made known it would be unlikely to make much difference to them. As such, participants have often taken the emphasis on privacy and confidentiality quite lightly. On my part, I have made sure to emphasize these concepts as I would with any other topic.

### **Validity**

- 1) Only tea drinkers were included in the sample. No filtering question(s) were used whereby one can include non tea drinkers in our study. If one had included non tea drinkers we would have most likely seen a lower percentage of positive attitudes and a greater incidence of negative perceptions about tea.
- 2) The study was limited to students who had taken Methods of Business Research. Thus, the students picked in the sample were in the senior half of our target population. As such, they talked more about drinking tea when studying and to relax. There were very few habitual drinkers in the

sample, since most people were in their early twenties and perhaps too young to have developed a habit of tea drinking.

## ***Findings of In-Depth Interview***

The in-depth interview was to develop an insight about the participants: his/her experiences, the context, frame of reference, point of view about tea and the real meaning of their responses.

## **Perceptions and Attitudes towards Tea**

### ***Initial Awareness of Tea***

One of the participant's perception about tea had been shaped by the experiences he had related to tea as a child.

### ***Awakener and an Addiction***

It started out as an awakener and then turned into an "*addiction*", the usage quantity increased. First tea could be made by just mixing everything in the kettle. But with time, Tea making became an art: sophistication.

No matter how hot the weather was, this participant was not bothered by it and tea drinking increased. Also, her social circle didn't have much of an impact on her behavior. Another respondent talks about his obsession to drink tea, made him take risks many a times. Another respondent draws the researchers attention to another facet: the "Yo mahool" did not bother his habit to drink tea.

***Tea as a necessity for the participant, regardless of what their social circle may think. In this case, there was perceived peer pressure to not drink tea, since no one else was drinking.***

Where people are "*materialistic*", a participant mentions tea as being above that level of materialism for him:

One can infer from the replies of the respondents' that social circle does influence one's choice of drink. In our case, the participant was *above that level*. Nonetheless, the influence is there and is strong.

### ***Important Factors in a good cup of tea***

Another participant over stressed on the proper way to make tea. That, in his opinion, is very important. In his opinion, strength, color and smell of tea are very important. Also, quantity is important too when making tea. Milk too has definite impact on the end product, generally people preferred fresh milk, however, attributed the popularity of whitener to the aspect of convenience. Participants were of the view that tea made from tea bag's is very different from tea that is traditionally brewed.

One of the participant had done some research on tea so he had a definition of good tea in his mind through different grades. Quality, in his opinion, of tea can be checked by the smell tea has and amount needed to bring color.

### **Analysis**

The interviews' have resulted in giving greater focus to the study and in allowing one to better understand the psyche of the tea consumer, not just as a single individual but as a collection of a enormously diverse people who exhibit trends in purchase and consumption that would be important to understand for a tea company. Furthermore, the interviews show that tea drinking is essentially a habit that is mainly formed and strengthened in early years. Also the importance of making tea properly, comes out from the exchanges. Tea is more often than not consumed in conjunction with milk or whitener. Thus the quality of the milk or whitener has great impact on the quality of the tea.



## Key Findings of Focus Group

### *Attitudes towards tea*

All the participants associated tea with freshness and revitalization. Almost all the participants said that drinking tea relaxed them and provided an energy boost. Tea was preferred over coffee due to less cost, better availability and a general perception that tea had fewer side effects. When asked:

"What is the first association that you have with tea? If someone mentions tea?"

One of the participants said:

"Freshness, its basically freshness or rejuvenation, something that will.... revitalize you basically, increase your paces"

### *Perceptions about tea*

Several of the participants mentioned tea as a mature persons drink. One even said that tea as a person would be "rude". Another associated tea with Dustin Hoffman, signifying sophistication but an old fashioned outlook. This seems to suggest that advertising campaigns trying to orient tea towards youth have not been very successful. Young people may be drinking tea, but from our focus group the reason seems to be closely related to energy boosts during studying sessions rather than because it was perceived to be a "cool" or youthful drink.

Some participants showed concern about tea being addictive and unhealthy due to caffeine content. Others felt it was a healthier option than other drinks like coffee.

Participant; “Tea for me is not something very interesting...it has something to do with sophistication a bit, not something which is very lively and energetic (embarrassed laugh), tea is like er....I would compare tea with Dustin Hoffman”

### ***Cultural and family Influences***

I asked about family influences regarding tea drinking preferences and found that the families of several participants drank tea at least twice a day and this was an important factor in introducing the participants to tea. Two participants who did not regularly drink tea said their families had no routine of drinking tea together. This tells us that family routines are a very important influence in framing tea drinking habits in young people.

The cultural trend towards tea also came through in the discussion. Tea is offered in social settings, be it family gatherings or offices. Tea is perceived to be an integral part of the social culture whereas coffee or other drinks have limited cultural bearing. One of the participants said:

“I’d like to add a very important point, as far as tea or relaxation is concerned it goes back really to your roots. I mean, when you are child you see your parents drinking tea, you see your friends drinking tea, its....at that time it got associated with the relaxation, enjoyment, or it gets into your head that you have to drink it, so at that time it is associated at that level and that’s why at the beginning....and then you start enjoying it..”

When asked:

“We are all Pakistanis and family oriented, its part of our culture. So tell me your family’s influence on drinking tea? Because I have seen even at my own place there is a norm that you drink tea in the morning”

A participant said:

“Since as far as I can remember, tea has always signified the morning rush of school and office, it was and is an integral part of the waking up routine, and also coming back home, tea is essential to relax.”

## Analysis

Tea is associated primarily with freshness and revitalization. Tea was preferred over coffee due to better availability, lesser cost and lower caffeine content. It also as considered to be less addictive. The participants seemed to have a consensus over the fact that tea was still essentially a mature persons drink. Furthermore, the importance of culture resonated in full force, which is understandable, as Pakistan despite being a relative smaller country was still number two in terms of consumption. The cultural trend towards tea also came through in the discussion. Tea is offered in social settings, be it family gatherings or offices. Tea is perceived to be an integral part of the social culture whereas coffee or other drinks have limited cultural bearing. This could be attributed to the existence of fewer non-sweetened/non-fizzy drinks. Also since soft drinks/packageged juices have a much younger clientele it seems that tea and soft drink usage peaks at opposite ends of the age spectrum. Our work with brand personality of Tapal came to fruition as our participants could not just give human attributes to the tea brand in question but also a human face and a human name. Overall tea being a non-taboo question benefited the research in more than one ways particularly as one could record spontaneous responses from the focus group. Also the chances of dis-honest responses was minimized. Female participants seemed to be more passionate about the tea brand they used.

# CONCLUSION

## Future Concerns for Tapal

1. **Trademark Violations:** There has been an enormous amount of cases concerning imitations and copying of Tapal Brand. Unscrupulous elements in society try to cash in on Tapal's brand name and sell sub-standard tea packaging it as Tapal<sup>24</sup>. Infringement of this kinds leads to a cluster of imitative products in the market such as identical packaging or a slight variation in color scheme, a slightly modified brand name like "**Tepal**" which deceives the illiterate and unaware consumers. Also, in most cases more profit is provided to retailer to push counterfeit tea, which is hurting not only Tapal but also its customers.
2. **Coffee:** Pakistani consumers are being exposed to foreign brands of coffee, a product which is used as a substitute to tea; consequently a large number of people are switching from tea to coffee.
3. **Overdependence on Imports:** As almost all the raw material being used by Tapal is imported, fluctuations and volatility in foreign markets affect the operations of the company. Also, frequent changes in the prices of raw materials cannot be passed on to the consumers as frequently as they occur, therefore Tapal has to price its products based on estimations of future prices which may not always turn out to be true estimates.
4. **Cash:** The company as a policy does not deal in credit, whereas retailers in almost all cases expect supplies on credit, which basically means that the distributors of Tapal have to extend credit to retailers thus stretching their own resources.

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<sup>24</sup> <http://www.pakistaneconomist.com/issue2000/issue33/f&m6.htm>

## Windows of Opportunity

1. **Reduction in Duty:** Successively the duty on the import of tea is being reduced, it stands at around 15% now, this means the advantage that the unbranded tea sellers had is being eroded. This is a major opportunity for Tapal, since its job of persuading the customer of unbranded tea to take the leap of faith has become a lot easier.
2. **PF:** or Pekoe Fanning tea category, which comes under leaf tea category, has the highest consumption rate in Pakistan. Tapal currently offers only one brand in this category.
3. **Afghanistan:** With the increase in trade with Afghanistan, that has been an outcome on 9/11 a huge export market has opened up for Tapal. Tapal must not let this tremendous opportunity slip from its hand, for this it must actively push its brand towards the north of the country and also have some kind of marketing targeted towards the Pashto/Persian speaking population. It could consider reorienting the image appeal of Gulbahar and Jasmine towards this target audience.

## Conclusion

In spite of its successes and growth Tapal still is behind Uni Lever in terms of absolute market share, according to industry sources<sup>25</sup>. Tapal has a market share of 65% in Sindh and 40% share in the North. In retrospect, the tough time being given by Tapal to Uni Lever is not a product of good luck rather its success has spawned from some classic branding techniques. The best way to achieve brand leadership, when there is a leader in the existing arena, is to create an

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<sup>25</sup> Research Reports issued by SECP

arena where you can be the leader. This is exactly what Tapal did by saying that thicker grains imply great tea. Like a shrewd warrior it changed the rules of engagement in the quest for market dominance.

The most important lesson is that a brand can stand for one thing and one thing alone: a brand cannot get into the mind, unless it is driven by a single, clear, coherent thought—the core idea behind the brand. In the case of Tapal, it has proliferated as the as one of the strongest tea brands in the country primarily due to its coherence and focus on its core i.e 'Dana' (Danedar). Another important lesson is the relevance of brand heritage. Heritage refers to the roots of a brand, the story behind the brand that consumers love to tell others. Tapal started with humble origins but over time has become the favorite for customers in Sindh. There are instances in which families have stories about grandfathers enjoying the same cup of Tapal as their grandchildren. Knowing the roots of a person can help create interest and a bond. The same is true for a brand; its heritage can turn a functional relationship into a connection with depth and even emotion.

However a word of caution for Tapal, in the tea category results, Lipton Yellow Label is slightly ahead of Danedar and emerges as the leading tea brand. Therefore, although Tapal is the leader in Sindh, to be a true national leader it still has a long way to go.

## Recommended Future Strategy

- Constantly increase the product line because it has started being known as an innovative company, therefore Tapal should keep up this pace of innovation as even the multinational brands such as Lipton and Tetley don't offer product ranges as wide as Tapal.

- Increase the promotional activities both towards the consumers and the retailers, in form of trade and sales promotions, additionally sponsor events like Basant, Ramazan and Eid.
- Tapal has already got a comparative advantage in local brands that it has started exporting and is even recognized in the international markets. More of concentration and sustained efforts in increasing its exports and advertising outside the country will ensure a rapid increase in revenues which it can use to invest domestically.
- Increase the Advertisement intensity, not only advertise in the local print and electronic media but also look towards satellite channels because a lot of population, both rich and poor and glued to cable and international media rather than local TV, this wouldn't only increase the brand recognition but also would help Tapal enhance its brand image.
- Tapal should prepare itself for future competition from foreign competitors by further differentiating its product from other tea brands.

## TABLES:

### Tapal Family Mixture<sup>26</sup>:

Table -1

Soft pack 500 gms <sup>27</sup>	Rs. 125
Soft pack 200 gms	Rs.50
Soft pack 100 gms	Rs. 26

### Gulbhar Green Tea:

Table -3

Gulbhar 50 gms	Rs. 10

### Mezban Dust:

Table -3

Mezban 60 gms	Rs. 15
Mezban 125 gms	Rs. 31
Mezban 200 gms	Rs.61
Sachet	Rs. 2

### Tapal Danedar:

Table -4

Soft Pack 200 gms	Rs. 55
Soft Pack 100 gms	Rs. 28

<sup>26</sup> www.tapaltea.com

<sup>27</sup> Results of our market survey



Soft Pack 400 gms	Rs. 112
Soft Pack 50 gms	Rs.15

**Safari:**

Table- 5

Safari 100 gms	Rs. 25
Sachet	Rs. 2

**Tapal Chenak:**

Table -6

Chenak dust 100 gms	Rs. 23
Chenak dust 200 gms	Rs. 45

## EXHIBITS

### **Exhibit 1<sup>28</sup>:**

Present Status of Tea Imports of the world -2005

<u>Country</u>	<u>Mt</u>	<u>Percentage</u>
Russian Federation	162,601	12.18
Other CIS	49,000*	3.67
United Kingdom	136,598	10.23
Pakistan	97,827	7.33
USA	93,474	7.00
Egypt	78,942	5.91
Japan	51,487	3.86
Iran	40,600*	3.04
Iraq	75,000*	5.62
Morocco	43,000*	3.22
Poland	31,000	2.32
World Total	1,334,900	100

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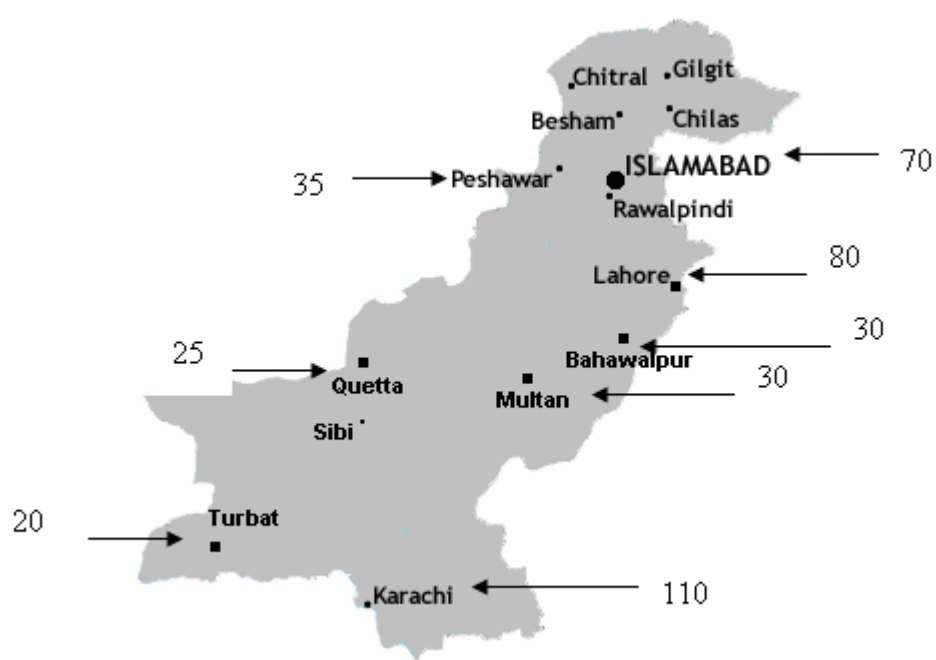
<sup>28</sup> International tea committee , 2005

**Exhibit 2:**

	<b>Production (tones) 2005 (provisional)</b>	<b>Exports (tones) 2004</b>
Burundi	6,600	573
Cameroon	4,000	1
DR Congo	1,389	146
Ethiopia	3,900	2,193
Kenya	290,000	293,751
Madagascar	716	-
Malawi	45,000	37,945
Mali	50	-
Mauritius	1,436	52
Mozambique	10,500	937
Nigeria	n/a	178
Papua New Guinea	6,500	6,600
Rwanda	15,484	15,170
Seychelles	225	-
Swaziland	n/a	96
Tanzania	25,500	20,887
Uganda	35,000	8,071
Zambia	750	-

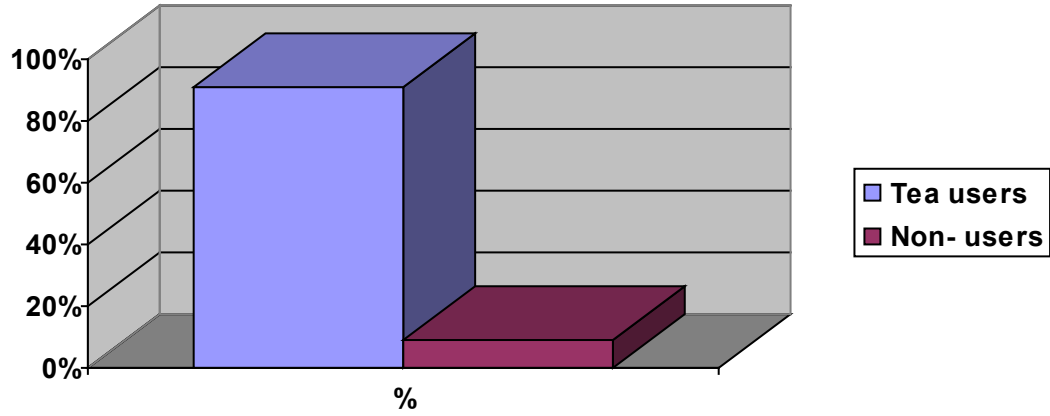
Zimbabwe	22,000	13,355
Source: FAO		NB: F O Licht lists Kenya 's exports at 268,801 tonnes

Exhibit 3<sup>29</sup>: Distribution network of Tapal across Pakistan (400 distributors)

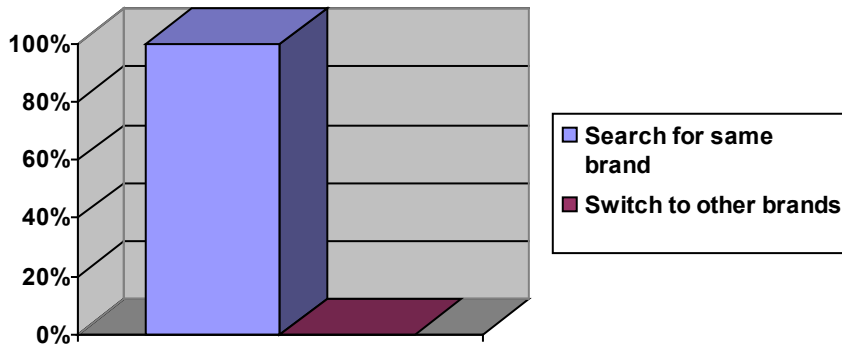


<sup>29</sup> www. Tapaltea.com

**Exhibit 4<sup>30</sup>:**



**Exhibit 5<sup>31</sup> (Brand Loyalty)**



<sup>30</sup> Source: based on survey research

<sup>31</sup> Ibid.