

# A new brew

After tapping the premium and popular segments, HUL has entered the lower end of the tea market with its new offering, Brooke Bond Sehatmand

Byravee Iyer

**M**ore than a hundred years ago, Hindustan Unilever launched a soap called Lifebuoy in India. The brand, which saw unparalleled success, promised to protect users from germs. In the next 114 years, the brand has never moved away from its original positioning and sales pitch. More importantly, it has given the Anglo-Dutch maker of fast-moving consumer goods a strong hold over the rural markets.

Then, around four years ago, the company brought out Brooke Bond Natural Care, a tea that used five natural ingredients and promised good health. The success of the product prompted the company to sit up and take notice. Having covered the popular segment with a thrust on health, HUL felt that great potential lay in the vastly untapped economy segment which makes up a whopping 45-50 per cent in terms of volume as well as value. "That's when we realised it is critical for us to be there," says Arun Srinivas, who heads HUL's beverages business. And Lifebuoy's success was just the inspiration Srinivas and his team needed. Thus was born Brooke Bond Sehatmand. The term *sehatmand* means health-giving in Hindi.

At present, HUL has Taj Mahal Tea in the premium segment, Red Label in the popu-

lar market and Taaza that covers mid-market price points. However, entering the economy segment wasn't going to be an easy task. One, loose tea makes up 65 per cent of the market, packaged tea accounts for only a third. Two, this is a market dominated by regional brands. HUL and Tata Tea, the country's two largest tea companies, cater to just the top 40 per cent of this market — the rest is shared by several regional brands. "While price is an important factor in this segment, we had to have a winning proposition to differentiate ourselves from regional tea makers," explains Srinivas.

## Rural target

Thus began extensive research using the company's internal tracker called Living Standards Measure (LSM) to determine the success of the product. LSM can range anywhere between one and 18 — a higher score shows a higher living standard. For Sehatmand, HUL needed to target LSM 1-4 individuals (those who cannot afford their own mode of transport) the bulk of who reside in rural areas.

Research reiterated what HUL felt. India has over 200 million undernourished people, the largest in any country. Nearly 70

per cent of the population is deficient in iron, vitamins and minerals. But with growing awareness, research showed that these people were concerned about their access to supplements. Most of all, they were worried if their children were getting adequate nutrition. "Iron, we were sure, would not be a good fit for tea, hence we decided to take the vitamin route," Srinivas points out.

But given HUL's wide product range, why did the company choose tea as a health supplement? Says Srinivas, "Tea is a widely consumed product with 95 per cent penetration." To ensure differentiation, technology was the key. "Most tea makers today merely blend the product, but with the help of our research & development arm in Bangalore and our Tea Excellence Centre in Kolkata, we've ensured that each granule of tea contains vitamins."

With this breakthrough technology, vitamins have been fused into each granule of tea. And drinking three cups of Sehatmand, the company promises, will ensure 50 per cent Reference Daily Intake (RDA) of important B vitamins. This is how HUL hopes to differentiate itself from rival Tata Tea which has a brand called Agni in the popular economy segment.

**THE TASTE HAS BEEN TWEAKED FOR DIFFERENT GEOGRAPHIES. SEHATMAND IN UTTAR PRADESH WILL NOT TASTE THE SAME AS IN MAHARASHTRA**

## Differentiating factors

Taste too has been given priority based on geographic preferences. "Taste palates vary across the country, which is why tea has largely been a regional product. So, Sehatmand in Uttar Pradesh will not taste the same as in Maharashtra," Srinivas says. Thus, for each region the

company has come out with a unique taste, colour and aroma. For instance, South India has a strong preference for strong and dark tea, while North India is inclined towards taste and aroma rather than colour. HUL has paid close attention to these nuances.

A great product may be fine, but it will be a marketing challenge for HUL. Television commercials will air on cable, satellite and state-owned Doordarshan in February. In addition, there will be heavy advertising on All India Radio as well as extensive on-ground activation to reach the target audience (rural consumers). For this, HUL will tie up with non-government organisations. Further, it will launch an awareness campaign called "Sehatmand Parivar — Sehatmand Bharat" in schools. HUL feels that children are an important tool for the company to get its message across. "Parents want to ensure the best for their children, which is why they send them to school in the first place," says Srinivas.

As for distribution, Sehatmand is relying on the scale and might of HUL. It will also tap Project Shakti, an initiative HUL started in 2001 to increase the company's distribution and provide rural women with income opportunities. Through this initiative, HUL hires a Shakti Entrepreneur or Shakti Amma who sells the company's products either door-to-door or through shops.

Brooke Bond Sehatmand is priced at Rs 20 and Rs 39 for 100 grams and 200 grams, respectively. The prices are at a 15-18 per cent premium when compared to loose tea. To tackle this, HUL has launched smaller packs of Rs 5 and Rs 10 as well. "With Sehatmand, we want to be both affordable and accessible," adds Srinivas. At present it has been launched only in Madhya Pradesh, Chhattisgarh and Bihar, but over the next six months it will be rolled out across the country in a phased manner.

