

Marketing: tea and lipton yellow label essay sample

[Business](#), [Branding](#)



Lipton was created at the end of the 19th century by Sir Thomas Lipton. Under the slogan "Direct from the tea gardens to the tea pot" this entrepreneurial businessman wanted to make tea a popular and approachable drink for everyone - with a high quality but reasonably priced product. The Lipton business was acquired by consumer goods company Unilever in a number of separate transactions, starting with the purchase of the US and Canadian Lipton business in 1938 and completed in 1972 when Unilever bought the remainder of the global Lipton business.

Over a hundreds years on, Lipton now possesses thousands of acres of quality tea gardens in East Africa. In 1991, Unilever created a first Joint Venture with PepsiCo, the Pepsi Lipton Partnership, for the marketing of ready to drink (bottled and canned) teas in North America Under the slogan~ DIRECT FROM THE TEA GARDEN TO THE TEA POT, he made tea a popular and approachable drink for everyone high quality but reasonable priced. The Lipton tea is his heritage and they are more popular than ever. Thanks to him , LIPTON TEA is now WORLD LEADER and present in more than 150 countries. Over the course of a century, Lipton has become a dominant tea brand in many markets. The brand is well-represented in many countries across the globe, including the USA, France, Japan, Saudi Arabia, Australia, Sweden and Pakistan.

Compared to other tea brands, Lipton has always had a strong focus on innovation, given its continuous launch of both leaf tea and ready-to-drink tea products. Products target the mass market and are generally positioned in the middle of the price spectrum for tea. Due to its size, Lipton is also a

dominant player in tea expertise in the world. The company employs professionals in tea growing, tasting, buying, blending as well as Research & Development teams. Unilever/Lipton owns Tea estates in Kenya and Tanzania, making it one of the few companies that is actively involved in the whole value chain of tea, from growing it to marketing it.

Like most branded teas, Lipton teas are a blend selected from many different plantations around the world, from well-known producing countries like Sri Lanka, Indonesia, China, and Kenya. Lipton Yellow Label is blended from as many as 20 different teas in specialized tasting rooms in seven regional hubs scattered all over the world.

Beginning in 2006, Lipton has served as title sponsor to TEAM Lipton, an elite women's professional road bicycle racing and triathlon team in the USA. Unilever has consolidated its green tea line under its Lipton 'Clear Green' brand, which includes its original pure flavor alongside three newly launched flavors – Jasmine, Lemon and Mint. "Lipton tea can do that" is the positioning statement of Lipton. LIPTON- THE KING OF TEA:

It was launched in 1890 and is the No. 1 tea brand owned and originating from any tea growing country. Lipton Tea is now exported to almost 150 countries worldwide. Lipton is rated amongst the top 3 international tea brands and is considered the No. 1 for Quality.

This company generated turnover in excess of \$ 4 billion, in 2003 with employment in the Group's production facilities and offices of 800 persons. The Group excels in its commitment to manufacturing excellence; in its

commitment to quality, factories in matching the quality of Lipton Tea with excellent manufacturing practice, the company has gained ISO 9001: 2000 accreditations. The Group invests over \$ 10 billion annually in ensuring that its manufacturing capability remains state of the art.

The Company is world's No. 1 manufacturer and exporter of teabags accounting for over 57% of the country's total exports of tea in bags. The focus on branded, high quality tea has made Lipton a major player in the premium segment of the global tea market, while re-establishing Yellow label Tea as the world's finest.

“ Vision”

“ Lipton`s vision is to available within an arm`s reach of every individual desire”

“ Mission”

“ Our purpose in Lipton is to meets the every day needs of people everywhere to anticipate the aspiration of our consumers and customers to respond creatively and competitively with products which raise the quality of life” “ Objectives”

* The aim is to provide quality tea that is safe for the health and energizing for the mind and body with an unforgettable flavor. * Lipton has to retain its position as a market leader against all its competitors especially TAPAL who is its challenger. * It has to interact directly with the consumers in order to be aware of the requirements and expectations of its consumers. * It has to

maintain the highest satisfaction standards and goodwill amongst the consumers. * It has to maintain its brand name and loyalty.

“ Composition Of Business”

segmentation:

Lipton is currently using

- I. Geographical segmentation
- II. Demographically segmentation
- III. Psychographic segmentation
- IV. Behavioral Segmentation

Segmentation Variables Data

Geographic Segmentation:-

* World region Asia

* Country Pakistan * Cities All major cities of Pakistan * Density Urban-Rural *

Climate Hot & dry Demographic Segmentation:-

* Age All age group * Gender Male, Female * Family size 1-2, 3-4, 5 above *

Family life cycle Married & Unmarried * Income

12000 above * Occupation White collar & service workers * Education

School, colleges & Universities * Religion All * Nationality Pakistani

Psychographic Segmentation:-

* Social Class Middle class n upper class * Lifestyle Fulfilled, believers,

experience makers Behavioral Segmentation:-

* Occasion Any occasion

* Benefits Quality, taste, flavour and brand status * Loyalty Status

Significantly high * Readiness Stage Awake & interested * Attitude towards brand Positive & enthusiastic

Target Market

Targeting a segment means the company is making a selection and targeting a certain group of consumers or buyers for its product or services. Evaluation of different segments that companies make is most critical before targeting any segment, every company have its own criteria of selecting a segment such as size, potentiality of growth, profitability, economies of scale, or low risk in the segment. Lipton Yellow Label has target different market segments. Lipton Yellow Label basically has targeted the urban areas and has concentrated on the upper and middle classes. Therefore despite the fact that it uses a mass marketing approach it can easily be denoted that this product is catered to a particular segment. Even in its marketing approach for Lipton Yellow Label, the product is presented in a different way for instance the teabags are targeted toward the upper high class, while soft packs and jar packs are targeted for middle and middle lower class. Today as both men and women consume equal amounts of tea the age group segment selected for Lipton is for all age group for they want to target those people who are young, trendy, and cosmopolitan. " Strategies"

Product Range

- * Lipton Yellow labble
- * Lipton black tea
- * Lipton Flavored black tea
- * Lipton Green Tea

* Lipton Herbal tea

* Lipton Iced Tea

Product analysis

As against its Competitors:

For its products

Yellow label TEA

ICE

TEA

GREEN TEA

Entry Maintenance Proliferation ExitTime

Expanded Boston Consulting Group Matrix

Relative Market Share

Market Growth

| High| Low|

High| Lipton Green Tea| Lipton Black|

Low| Lipton Yellow label| Lipton Herbal tea|

Negative| Lipton Ice Tea| Lipton flavoured Black tea|

Swot Matrix

Strengths: * Experienced and quality management. * Strong Ethical value (culture and heritage) * Strong supply line * Highly innovative * Strong financial position * Strong company image * Success of the slogan * Quality & variety * Effective & attractive packaging * High quality man power * Help

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people getting more out of life * Brand recognition * Accessibility|

Opportunities: * Brand is the part if traditional drinking habits * Research & development * Makes people active * Expansion in other areas of country |

Weaknesses: * High prices of the product * Substitute products| Threats: *

Strong completion in rural and urban areas * Internationally increasing tea prices * Political conditions in the country may be obstacle to exports * High inflation in the country can negatively effect the brand|

Directional Policy Matrix

Lipton Tea

Positioning

Positioning Of Lipton Yellow Label

Positioning involves designing the product and image that will occupy a distinctive place in the minds of the target market. As can be seen, Lipton yellow label have the largest profit margins and market share in the industry. Thus the marketers at Lipton have decided to create its own unique image and then strengthen the position in the customers' minds. The Lipton Yellow Label has positioned its product in the minds of the consumer as * Active

* Refreshing

* Colour

* Aroma

* Taste

* Flavour

* Outstanding Quality

* Slogan

“ Pricing”

LIPTON would follow market penetration strategy for its Yellow Label Tea in the beginning. Factors which would be involved in setting price are:

Costs:

Fixed and variable cost would influence the pricing of Lipton Yellow Label

Tea Elasticity:

Our Tea drink is not considered a luxury product and not an essential food item therefore it has elastic demand a rise in price would cause the demand of Instant tea drink to decrease and a decrease in price would probably lead consumers to buy more. Competition:

Our Lipton Yellow Label Tea prices may not be affected by competition as Lipton Yellow Label Tea is the innovative product that is uninitiated in Pakistan and a niche that's un- touched by other competitive companies. Lipton Yellow Label has never wanted to compromise on quality so they adopted value based pricing. “ Branding”

Since 1890, “ Lipton Tea” is being sold as a refreshment drink which is largely popular and approachable drink for everyone in Pakistan with high quality and at affordable prices. Over the last decades, it has become a house hold name in the country owing to its good taste. In last decade, many changes are being observed in Pakistani society regarding their lifestyle and food and drink choices, keeping these factors in view “ Lipton Tea” is proving

to be the number 1 choice of the people of Pakistan and in return “ Lipton Tea” has constantly been coming up to the expectations of the customers, so it would not be wrong to claim that it is reliable drink in beverage industry in Pakistan Brand image

- 100% natural
- Accessible
- Consistent quality
- Versatility

So, Lipton is using aggressive branding strategy.

Placement (Distribution)

Lipton Yellow Label has a distribution network spread across Pakistan. The popularity of the brand is so much making it the No. 1 National Tea company in Pakistan. Lipton Yellow Label caters to its customers by providing Lipton Yellow Label to more than 150000 outlets in Pakistan, which includes super stores, general stores, grocery stores and discount stores and all departmental stores. Lipton has it's headquarter in Karachi and 650 distribution offices all over Pakistan

Distribution plays an integral role in any company whether it's a FMCG or utility good. The role of distribution in the marketing mix is to deliver a product to its target market or final consumer. Between the manufacturer and the final consumer stands a set of intermediaries performing a variety of functions. These intermediaries constitute a marketing channel also known as trade channel or distribution channel. The marketing channels are set of

interdependent organizations involved in the process of making a product or service available for use or consumption. Marketing channels overcomes the time, place and possession gaps that separate goods and services from those who need or want them.

Lipton Yellow Label is known for its wide distribution network. The Lipton Yellow Label distribution channel is:

Manufacturer

Wholesalers

Retailers

Consumers

Promotion

The Lipton Yellow Label does its promotion in following ways. The company uses different promotion techniques they provide different items to people such as: * Caps

* Tea bags

* Cups

* Printed T-shirts

* Discounts

* Basant festivals

* Vans

* Watches

The company is different sales promotion techniques at different time of the year depending on the sales of the product.

Electronic Media:

The company is spending a lot on electronic media. In there advertisement they hire renowned celebrities.

Advertisement:

The Lipton Yellow Label uses different types of advertisement as follows

Television:

Lipton yellow label spends a lot on television advertisement. Commercial during cable network movies, TV shows such as special drama, news, talk shows and Sitcom Product placement is also done in many of the shows.

Magazines:

Full page advertismnt including Akhbar-e-Jahan, Mag, Family Magazine, Fashion & Business Magazine.

Internet:

Lipton Yellow Label advertises on websites such as Face book & Yahoo.

Co-Branding:

Available at big shopping malls.

Competitive Analysis

COMPETITOR'S ANALYSIS

The tea industry is divided into two segments. They are:

- * Branded Tea
- * Unbranded Tea

No doubt Lipton is the marketing leader but in order to sustain this leadership it should follow the position defense strategy Lipton is facing a tough competition from both the segments as the unbranded tea has almost half the share of the total tea industry. The current tea imports are 140, 000 tons. The major competitor for Lipton is TAPAL especially as the sales competition from this brand in the tea industry is getting cut throat. Tapal is a clear market follower in all over Pakistan as it caters to all the areas rural and urban alike. Lipton Yellow Label is definitely a market leader claiming that it is a premium top of the line product with “ a sign of good taste”. Lipton has countered this competition strategically by creating positioning and brand pull in customers mind so that they have a separate identity of their own. Catchy slogans like “ HER LAMHAY KI CHAH” for Lipton Yellow Label Tea, focusing on the free and radiant spirits of the youth which has also been tagged along with “ ZINDAGI MAIN BHARO NAYA RANG” is the slogan For Lipton, this positions on the completeness and togetherness of the family and position Lipton integral part of the Family. Suggestion and Recommendation

- * Increase the advertising:
- * Increase the loyalty of customers
- * Increase the incentives
- * More promotional activities
- * Conduct a training session for sales force.
- * Should diversify the products.

Budgeting

Questionnaire for Consumers

Name: _____

Age: _____

Profession: _____

1) Gender?

a) Male

b) Female

2) Age group?

a) 1- 15

b) 15-30

c) 30-45

d) 45-60

e) 60 above

3) Marital status?

a) Unmarried

b) Married

4) How many cups of tea you consume every day?

a) 1-2

b) 2-3

c) 3 above

5) Which tea do you drink?

a) Lipton Yellow Label

b) Tapal

SUMMARY OF FINDINGS:

Our respondents of 100 sample size.

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