

The premium player

How does a commodity seller tap the premium end of the market? One Calcutta-based crockery seller found the answer. A case study of La Opala.

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In every marketer's heart there lurks a secret dream: to become the premium player in his chosen field. Premium products, of course, generally mean premium profit margins. But that isn't the only reason marketers hanker for this segment. The other factor is the boost a company's image gets, when it establishes itself in the premium slot.

But premium segments are also the hardest to crack. The customer who doesn't mind paying the price is also discriminating in his choice. And for every dozen marketers who try to break into the segment, therefore, just one or two succeed.

Titan, Park Avenue, Raymond's... these are some of the brands that successfully carved out premium slots for themselves. But the more fascinating story is that of a little-known Calcutta-based crockery maker who found the magic formula, nearly lost it because of quality problems, and then regained it with some deft mid-course corrections: La Opala.

Today La Opala, which started out in 1987, is a Rs 18-crore company, and second only to Hitkari in the crockery market. It is also redefining the operating rules of the market. In this story we take a look at how La Opala developed and sold a premium product.

The beginnings
Ajit Jhunjhunwala had been in the glass and chinaware business for several decades. And like most of the other players in the field, Jhunjhunwala addressed the unbranded, inexpensive mass market segment. He specialised in churning out thick tea mugs and glass chimneys. But he did have an upmarket dream.

During one of his visits abroad, Jhunjhunwala noticed what seemed to be the perfect premium product — crockery made from opal glass, a milk-white, translucent material. Opal glass had originated in France in the eighteenth century, but was now being mass produced in Japan, Korea and the US. And exquisite

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crockery could be made out of it. Not only was the product stylish and with a distinctive appeal, but above all it wasn't very difficult to manufacture.

And the more he thought about it, the idea seemed more appealing. The Rs 150-crore plus foodware business (including steelware, crockery, earthenware and melmoware) was largely a preserve of small, unorganised manufacturers who were essentially commodity, not brand sellers. The market was, in fact, crying for a premium brand. Very few people like Hitkari and the now-defunct Bengal Potteries had ever tried to establish a brand name. In 1984, a company called Nuware had pioneered melmoware dinner sets aimed at the premium market. But it had been hit by clones and the resultant price wars, which turned melmoware into a lowmarket product. The only bigname brand in the entire foodware market was Hitkari, which addressed both the middle and upper end segments of the crockery market. (Hitkari's own pre-

mium product was the traditional bone china crockery).

Creating a premium product
To sell a faceless commodity, a company has to only ensure competitive prices and the availability of the product. Creating a premium product, however, requires far more effort. As L. Sridhar, general manager (marketing), La Opala says, the product decision had to be carefully thought through. Who buys crockery? Who should one aim at? What was the price the consumer would be willing to pay? What should the sales pitch be?

An informal market survey conducted by the company showed that while the housewife was the main decision-maker as far as general crockery purchases were concerned, when it came to buying expensive products she invariably asked her husband. Moreover, the eighties' consumerist generation of cash-rich middle class families had started doing a lot of entertaining at home and were moving out of the one-dinner service segment. These families generally owned one expensive bone china dinner set but wanted more styles for different occasions than bone-china could offer. Also bone china was too expensive — there was, in fact, a big gap between the super-premium bone china and the medium-priced melmoware sets. So the product attributes fell into

The right brand personality
Sridhar and his marketing team toyed with a number of names for the product — Opal, The Opal,

place. It had to offer a variety of smart designs and styles to suit customer's tastes. It had to develop a distinct brand personality. And it had to be priced slightly below bone china to be easily affordable — but much higher than melmoware and normal china to generate a premium image. (A typical bone china dinner set would cost upwards of Rs 2000, while melmoware sets cost around Rs 1400. So La Opala decided to price its sets at around Rs 1800).

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The crockery trade generally considers black colour to be inauspicious. But advertising agency Contract and La Opala decided to deliberately shoot the La Opala sets against a black background to highlight its white, translucent appearance. The product itself was spotlighted in the manner of a sculpture exhibition to create an ultra-sophisticated ambience.

With an ad budget of Rs 20 lakh, the company decided to use only select English magazines — India Today, Femina, Savvy and the more expensive film magazines — for carrying the message. The message itself was a one-liner: "Crockery times have changed".

The advertising was released well before product was launched to create brand awareness, and above all, heighten the curiosity and the

demand for the product.

Hitting the market

Even before the product was ready, sales representatives from La Opala had started touring the country with sample sets of Korean opal glass dinner sets. Though La Opala had a fairly small sales staff (two regional managers, three area managers and only 20 reps), it made up in aggression what it lacked in numbers. And could collect hefty advance deposits from distributors, who were considered rather tight-fisted lot by the crockery trade. It was only after quite a demand had been created for the product both among distributors as well as consumers (because of the advance advertising), and there was a flood of enquiries for it, that La Opala started rolling out its sets.

The problems arise

When the La Opala dinner sets finally hit the market, however, a number of problems started cropping up. For one, many customers felt that the product didn't look nearly as good close up as it did in the advertisements. That was because it was not really as white as people expected probably because Korean samples were shot for the ads.

Then, hairline cracks began appearing in the product under high temperatures. And finally, while many people came and saw the product, they didn't want to buy it because it looked too fragile.

This was a major communication mistake the company had made since the La Opala sets were supposed to be scratch and chip-resistant. But the advertising had never focused on those attributes for the product.

Damage control

In spite of all the problems with the first batch rolled out, the continuing spate of enquiries convinced the company that the product could be made to succeed if only they got their act right quickly.

The sales force convinced the dealers and distributors that the problems they were facing would soon be sorted out and the new, improved version would prove a sure-fire winner. They also agreed to take back all the goods the distributor wanted to return. (This was not a normal practice in the trade which operates on a "goods once sold will not be taken back" principle).

And for the six months until the production and quality glitches were worked out, La Opala decided to go slow on advertising.

Wooing the customer back

When the La Opala sets started rolling out again, the company had finally got every step of its market-

ing act correct. The product looked as good in reality as it had in its advertisements. The advertisements itself were changed slightly to accommodate lessons from the marketplace. The product was clearly defined against various settings.

In a set of three visuals which were run on line, the advertisements chose three settings, the dinner plates were put against pink damask, cut glass and silver service, the tea cups on trolley, the casserole dishes on a kitchen worktable.

Though the campaign continued with the slogan "Tell crockery times have changed", more copy was added. For the first, it was La Opala redefines the art of gracious dining. For the second, tea cups were put on a tea trolley with copy that said La Opala takes a fresh look at tea time. For the third, it read, La Opala stirs up bake-and-serve specials. This helped consumers relate to their home environment.

In the first launch there a consumer segment which thought the product benefits were a little fuzzy in the ads and didn't relate why one should prefer it over china or bone china. The new campaign added the

of consumer concern. For instance, it allowed its customer to buy loose pieces of crockery, to replace broken pieces or to add to a set, unlike the market leader. "Even a lid is made available", says Sridhar. This completely erased the problem of having to take an entire set when all the customer needed were two serving bowls.

Apart from that, the company also started putting in some extras into the sales effort. Unlike the normal corrugated cardboard packing used for most crockery sets, the company began hawking its sets in smart La Opala boxes, which were colourful and had the set design displayed on the top. It started giving cash prizes to dealers for imaginatively designed window displays. And it offered to take back any goods that the customer was not satisfied with.

At the same time, it began offering special gift sets in various price ranges to its customers and especially targeted the corporate sector for these sets. And they also began designing adding on products to its normal range to keep in tune with the demand — for example, it began offering curry bowls, sherbet glasses

utility value and in the second campaign therefore, the product benefits were also clearly spelt out. The fact it was chip, scratch, and craze (the small hairline fissures that appear on bone china with age) resistant, and a pearly white translucence finish that won't yellow or even stain even on regular use.

and chutney bowls, all unique Indian requirements.

In five short years, La Opala has managed to carve out a distinctive premium slot in the crockery market. Today, it is number two only to old-timer Hitkari. And its demand far outstrips its supply of 16 lakh pieces a month in five designs and 10 patterns. ■

The La Opala range is available in sets and single pieces. For more information, contact La Opala Glass Pvt Ltd, 10th Floor, Chitrakoot, 230A AJC Bose Road, Calcutta 700 020; Phone 440414