

CASE STUDY: LA OPALA

# The GLASS Of '95

ANASUYA BASU traces the development of La Opala

**L**a Opala does not believe in resting on its laurels. Now that it has managed to carve a niche for its opalware, it's ready to take on the crystalware market, so far totally foreign-dominated.

It wasn't that long ago when the middleclass urban housewife had one prized bone china dinner set, in most cases acquired as a wedding gift, which she flogged all her life. Come the avaricious Eighties, the new status-conscious housewife felt the need for more than one dinner set to flaunt. The options: pedestrian melamine, ethnic-but-heavy earthenware, and expensive bone china.

Calcutta businessman Sushil Jhunjunwala was quick to realise there was an untapped market in between. While travelling abroad, he had seen beautiful crockery crafted out of opalware.

Its marblesque appearance and chip-resistant qualities made it a worthy substitute for the more expensive chinaware. Jhunjunwala decided to "revolutionise Indian crockery and restore the beauty of dining" and started making opalglass crockery in a factory at Madhupur, in Bihar. Test marketing showed there was a definite demand for the good-looking but economical

tableware and La Opala crockery hit the market in 1987.

La Opala's recent spate of corporate advertisements in all leading national dailies and magazines is a buildup to the Rs 8-crore public issue to be launched next month. The funds will be utilised to finance the crystalware project. Says Lakshman, Manager (Marketing Services), "There are no producers of crystalware in the organised sector. Whatever crystalware there is in the market, is all smuggled in."

The company has tied up with the South Korean glass giant, Dussan, for the manufacture of the 24% PBO lead crystalware. Dussan Glass is an integral part of the well-diversified

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Rs 17,335-crore Doosan Group, the sixth largest conglomerate in the Republic of Korea today. It manufactures, among other things, glass bottles, PET bottles, glass tableware and the renowned Parka brand of crystalware.

According to the agreement signed between Sushil Jhunjunwala of La Opala and Hyuk Namgung, President, Doosan Glass, the Korean company will provide technical knowhow and train senior La Opala personnel. Doosan technical personnel will also supervise the setting up of the crystalware unit at Madhupur. Apart from these facilities, it

has been agreed that all techniques developed subsequent to the agreement by either party will be available to the other, to enable regular upgradation of technology. Royalty has been fixed at 1.5% for the first five years, 1.2% for the next five years. After ten years, La Opala has the right to use the technology without any financial obligation.

The actual size and nature of the crystalware market has yet to be determined, as Admarg, the Calcutta-based marketing agency that is doing the research, is still collecting and analysing data. All that the company will say is that La Opala's will be an upmarket product aimed at a niched segment — primarily hotels, clubs and the upwardly-mobile middle class. "With liberalisation, a lot of foreign liquor is coming into the market. It is only natural that people will also buy the barware, decanters, and glasses that go with it," says Joy Chakravarti of Contract, which handles the La Opala account. The company is not restrict-



La Opala has never utilised the electronic media to advertise its products. "When we launched our opalware, TV viewership was so wide-ranging that it cut across all social strata. A housewife and the maid-servant were watching the same programme. So, for us it would have been wasteful expenditure," says Chakrabarti.

La Opala plans to spend about five per cent of its turnover (which is a targeted Rs 17 cr in 1994-95) on advertising. According to Chakrabarti, the nationwide budget for last year's opalware campaign was Rs 50 lakh. The budget will be the same for crystalware. The marketing will stay dealer-oriented. La Opala's share of the organised crockery market is 25 to 30 per cent. The company expects its crystalware to improve on this and take 60 per cent of its market. Though there are no other companies in the fray for crystalware, there may be a competitor in Borosil.

"Since there is hardly any crystalware in the organised sector, we will be mainly eating into the existing smugglers' market. But we definitely hope to expand the market too," says Ajit Jhunjunwala, director, La Opala. The pricing, he says, will depend on the research outcome. It will have to cover production cost as well as be competitive. Ideally, according to Ajit, the glasses will be priced at around Rs 150 each. The man is brimming with optimism, and forecasts a turnover of Rs 8 crore to Rs 9 crore in the first year alone.

ing itself to crystalware. It plans to match the revolution in office decor with a variety of items like paperweights, penholders and the like. There will, of course, be the mandatory flower vases and statuettes, too. No chandeliers, though, says Lakshman. First, because it has a very select market and secondly, manufacturing is a very complicated procedure.

The rising consumerism has had a tremendous impact on opalware, as it has on most other consumer durables. Sales for dinner and morning sets have soared, particularly in small towns and metros, with the products being treated as status symbols. This is reflected in the new campaigns. The earlier advertisements focused on the functional properties of opalware, while the visual was crafted for aesthetics. But analyse the corporate and product campaigns of today. The entire emphasis is on looks and

the premium nature of the product — 'La Opala redefines the art of gracious dining,' and 'Its the impression you make.'

While both Chakrabarti of Contract and Lakshman are reticent about the route their new marketing strategy will take, the corporate advertisements — which use Dussan crystalware in the visual — give an idea of the line to be taken.

The campaign might soon change tack, though. Says Chakrabarti, "A lot depends on the type of buyers we target. We might even have to define what crystal really is. People often confuse premium crystal with cutglass." The one thing Lakshman does let slip is that a large part of the advertising will be done through direct marketing.