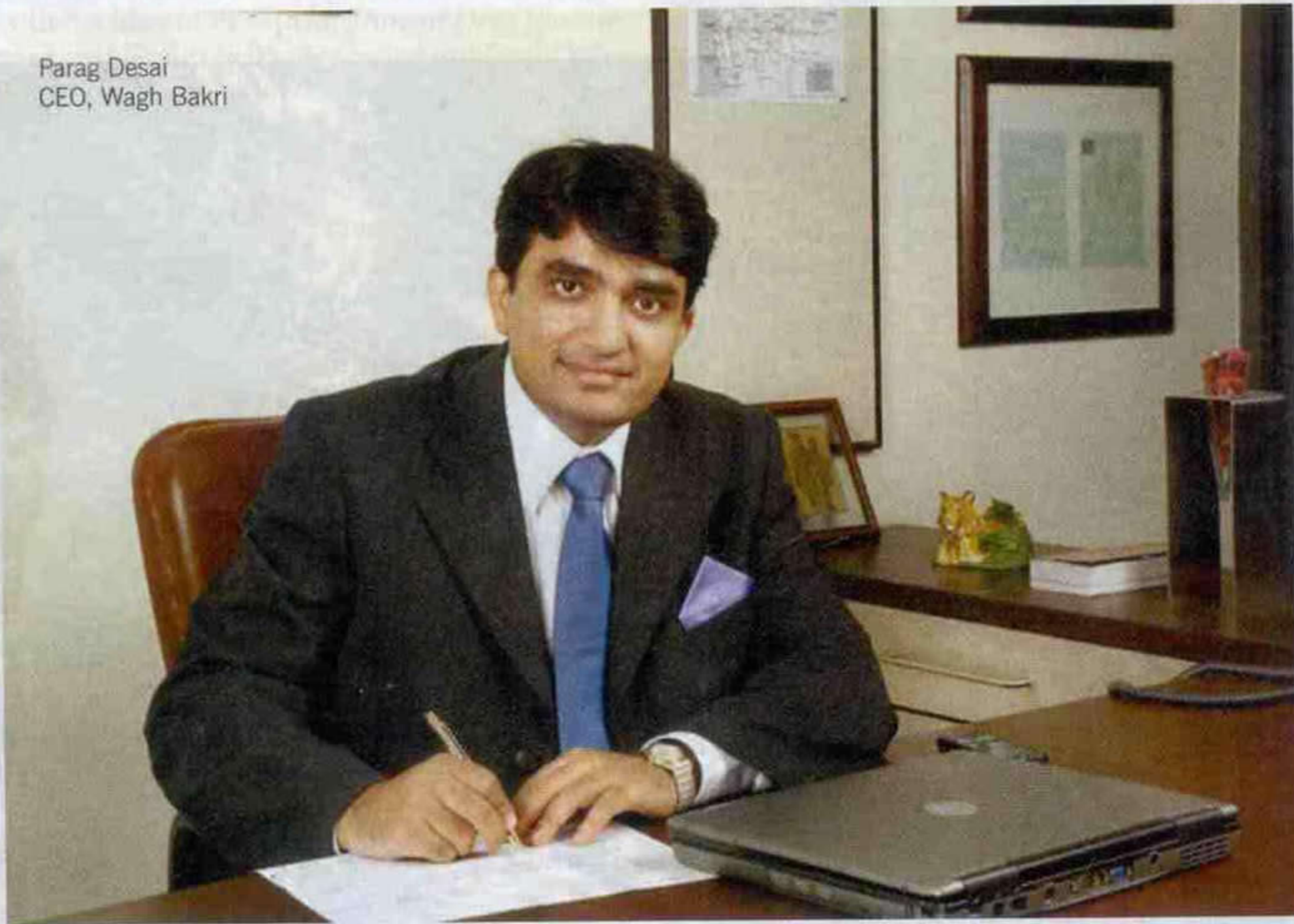


LIVING THE “GLOCAL” LIFE

This one's a regional brand with a difference says *4Ps B&M's* RUPESH PANCHAL. It has the historical legacy befitting some of the most iconic global brands; it is India's largest privately held packaged tea company; and despite not having a pan-India presence, it's distribution muscle is already spread across 35 countries

Parag Desai
CEO, Wagh Bakri



Parag Desai, CEO of the Wagh Bakri Group saunters proudly around his sun-kissed office in Ahmedabad. His pride stems not only from the fact that his brand founders had the blessings of Mahatma Gandhi for their venture, and that Wagh Bakri is India's third largest tea brand today, but also because his office building was recently awarded the '*sabse cleanest office*' award for exploiting natural sunlight beautifully. Desai who has an eye on sales, branding and overseas business for Wagh Bakri is upbeat about the future. "Our vision is to

win the confidence of every person in India. A vision to assure all that we will provide quality tea forever," avers Desai, who is also known for his visionary zeal within the Rs.400 crore family-owned group.

Some may call Desai's enthusiasm overrated in the face of the marketing and distribution muscle of pan-India rivals like Tata Tea and Brooke Bond, which control the large chunk of the organised packaged tea market. In comparison, Wagh Bakri is present only in Gujarat, Maharashtra, Madhya Pradesh and Rajasthan for now. But those in the know of



what's cooking at this tea company are already heralding the arrival of "Tea Wars 2.0" as Desai readies to launch Wagh Bakri's operations in North India. Desai explains, "We are spreading our network through out India. Last year we had launched our products in Mumbai and now it's Delhi." The bid is to subsequently use the national capital as a gateway for Wagh Bakri's national launch by mid-2010. And by early next year, India can expect to see the first TV commercials of this tea brand.

National aspirations, however will invite killing competition from the all powerful pan-India brands. But the marketing team at Wagh Bakri is not worried. When it comes to competition, they seem to have mastered the skill to remain alive and grow in a dense jungle. After all, Wagh Bakri has run past many national players and enjoys over 50% market share in Gujarat. Besides, the tea brand also boasts an ever increasing market presence with over 100,000 retail outlets housing the company's popular tea brands. In the north, the tea brand is aspiring for a 5% market share by 2010. Of course, it won't be easy given the stranglehold of Tata Tea and Brooke Bond in the north, but Parag feels that Wagh Bakri's "great quality at affordable prices" offering has raised

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the bar for competition. Explains Desai, "There was never any stiff competition for us. We have been providing good quality tea with reasonable rates for a long time now and that has been our USP. Other big brands do offer lucrative schemes, but in return, charge highly for their products. By God's grace, we've never faced any strong competition and even if we did, we hardly realised it as it was very easy for us to win the confidence of our consumers."

For the uninitiated, Wagh Bakri was born in 1892 when tea baron Sir Naranadas Desai, with his experience in the art of blending and tea growing (*which he learned while in South Africa*) put his experience into commercial use. The generations that followed boosted his pioneering efforts and developed the business to its present status. With a present base of more than 400 employees across four states, Wagh Bakri Group is gung-ho on expanding those numbers with its northern foray. But isn't the company headed down south as well? Desai responds, "Yes, we are widening our network, but obviously, it always takes time to win the confidence of customers..."

Of course, Wagh Bakri's present success could not have come without its own share of troubles. But Desai is quick to relegate them to early days. "We entered the packaged tea market in 1980 and the next five years were extremely tough for the company. People did not prefer packaged tea and mostly bought loose tea from the market. To be able to convince the consumers that packaged tea can also be good in quality, was indeed a tough job," he says. But diligence pays. Today, Wagh Bakri branded products have become

household names in parts of India, North America, Australia, UK and the Middle-East. The company is also planning investments for aggressive growth of up to 50% in the Middle East over the next year. The production base of the company, at Dholka (*near Ahmedabad*) is an impressive 14 acre-stretch, with a modern plant and state of art production and packaging unit.

And then there are the retail ambitions. Just this year, the company opened a Waghbakri Tea Lounge at Ville Parle, Mumbai, which serves all premium varieties of tea marketed by Wagh Bakri and the plan is to take the tea lounge concept to a new high across India. Wagh Bakri's journey continues as the tea sheds its regional brand coat... **IN**