

Business Standard

Regional to national: not an easy ride

Many brands find the transition tough to handle and the reasons are many

Viveat Susan Pinto / Mumbai July 20, 2011, 0:10 IST

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- Waghbakri tea is a known name in Gujarat. It is the market leader in that state with a 45 per cent market share. In recent years, however, the brand has been attempting to go national moving to neighbouring states such as Rajasthan, Madhya Pradesh, Maharashtra, Goa and Delhi. It has even made inroads into the southern city of Hyderabad. But has the going been easy in these states?
- “Certainly not,” admits Parag Desai, whole-time director, Waghbakri Tea Group. “The taste, quality of water and milk are totally different in different regions. So yes, there are challenges. But we have attempted to tide over these with our in-house research team which works on blends that are favourable to that region,” he says.
- Desai says the market share is not substantial at the moment. In Rajasthan and Madhya Pradesh, for instance, the brand has less than 10 per cent share and in Maharashtra, it’s just about 5 per cent. In Delhi, Goa and Hyderabad, Waghbakri’s entry has been recent.
- The challenges faced by Waghbakri are not new to regional brands. Most of them have struggled to make the transition from local to national. Some have managed to do it well, while others have struggled to shed their regional image.
- Take CavinKare, for instance. Despite being a strong player in haircare with a total share of 20 per cent in shampoos, the Chennai-based firm has struggled to shed its regional image. This Chennai connection, as industry sources describe it, has even prompted CavinKare’s chairman & managing director CK Ranganathan to consider shifting base to Mumbai in an attempt to acquire a national footprint.
- Ranganathan insists that some of his company’s brands such as Nyle and Chik shampoos are national brands, which are stronger in the north than the south. “Only Meera and Kartikeya shampoos are southern brands,” he says.
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