



## A new way forward

The new management and marketing structure at Tata Beverage Group promises a cupful of advantages, but there are challenges to be overcome as well

**E**ighteen months is too short a period to judge the robustness of an integration exercise involving different companies, products, processes, people and geographies, but the lip-smacking results achieved thus far by Tata Beverage Group suggest a future that can be tastier still.

The integration that has brought Tata Tea, Tetley, Tata Coffee, Mount Everest and Eight O'Clock Coffee, (and the additional companies and brands that these companies stabled such as Good Earth Tea and Joekels) together under a unified management

umbrella, with a reorganised marketing structure, is the necessary first step in an ambitious plan to position Tata Beverage Group as a global entity in a business dominated by big and beefy operators.

Tata Beverage Group's

businesses have been organised into six key regions, each led by a regional president: UK and Africa by Nigel Holland, US by Barbara Roth, South Asia by Sangeeta Talwar, Canada and South America by Steven Rice, Europe and Middle East by Garry Nield and Asia-Pacific by Sanjiv Sarin. The regional heads are in charge of sales and marketing, and each regional hub functions as a brand-oriented marketing organisation.

The regional heads are supported by a global executive office in London. This comprises chief executive Peter Unsworth and deputy chief executive Percy Siganporia, who oversees global operations, including factories and production, tea and coffee buying, and procurement. The other members of the executive office are chief finance officer L Krishnakumar, human resources and communications head Nalin Miglani, and chief marketing officer John Nicholas.



In essence, human resources and communications, information technology, finance, production, procurement and research are handled at a global level, with sales and marketing becoming the responsibility of specific regions.

The marketing of all Tata Beverage Group brands has taken on an entirely new structure and process. All of the designated regions will market all group brands, with the priority changing according to regional requirements and prerogatives.

The creation of a common marketing platform for Tata Beverage Group's brands began with their separation into major and local baskets. For each of the brands considered major, a common brand positioning statement (or brand identity model) is being developed. These models incorporate, among other criteria, the brand's target market, values and overall essence, with consumer feedback being a crucial input.

There are several advantages in this approach, says Garry Nield, regional president, Europe and Middle East: "There is consistency of product design, clarity in advertising messages and economies of scale for packaging and advertising production." Nigel Holland, his counterpart for the UK and Africa, sees a reduction in consumer confusion. "This ensures that the brands have the same values and messages," he says.

Sanjiv Sarin, the regional president for Asia Pacific, insists that scale is the greatest benefit: "Scale throws up the resources to look for local opportunities." Barbara Roth, regional president for the United States, bangs the drum for another advantage. "We can leverage our brands together and gain efficiencies from suppliers," she says. "We have more clout and buying power than we did as individual brands and companies."

A Tetley global positioning model was put in place and this involved all regions in a collaborative project that accounted, by region, for every aspect of the brand's identity. This was backed by consumer research across a number of regions before arriving at an agreed brand identity model. A similar exercise was

carried out for the Good Earth brand. The global positioning models are being used to drive communication briefs to creative agencies and brand identity briefs to design agencies.

Along with brand identity models, there is a second project being undertaken at Tata Beverage Group, this one to ensure that all group companies speak the same language on consumer needs. "This segmentation study will provide us a better understanding of the emotional connection to our brands, which ultimately generates greater brand loyalty," says Ms Roth. "It will also help the organisation in new product development and communication initiatives."

What about the disadvantages of clubbing brands together? The challenge, according to Mr Sarin, "is to have the right portfolio of products and the right mix of major and regional brands". Mr Holland articulates a different concern. "There is often some tension between strong local needs — for instance, distinctive consumer habits, different stages of market evolution, etc — and the desire to accommodate a global brand positioning," he explains. "In this case, the local region, while adhering to the brand identity model, may develop specific communication executions to more precisely reflect the local consumer."

Says Mr Nield, whose region handles two very strong local brands, Jemca and Vitax, and one major brand, Tetley: "In certain markets there are differing attitudes to the product category; in a market such as Russia, tea is central, but in France tea is well behind coffee in importance. This leads to the need for a balance between global positioning with local consumer attitudes."

The potential problems with combining brands do not end there. "One of the difficulties is the guilty by association conundrum," says Ms Roth. "If one of the brands fails to meet customer requirements, we must make sure the other brands don't get punished."

"There is a commonality in trends toward health and wellness which unites our



portfolio across the globe, yet there are differences,” says Mr Sarin. “Understanding these differences is important. We need to build a small but flexible team that can scan, dive into and build markets.” The key challenge, according to Mr Nield, is to counter well-established brands and finding a positioning that can win over new consumers. “The new global positioning structure achieves this for us,” he says.

Not all countries will chant the new global positioning mantra at the same time, as the

origination work for the packaging and management of the changes in the supply chain are huge tasks that need to be phased to ensure that teams at the individual factories are not overwhelmed.

So what’s the prognosis for the future? Mr Sarin sees a need to “nurture the Tetley brand”, Mr Holland wants to build the health of the Tetley and Good Earth brands, and Ms Roth strongly believes the unification move will make for “a stronger, more loyal franchise” in the years ahead. ●

*Sujata Agrawal*

## Executive office



**CEO**  
Peter Unsworth



**Deputy CEO**  
Percy Siganporia



**Chief finance officer**  
L. Krishnakumar



**Brand and innovation director**  
John Nicholas



**Chief human resources officer**  
Nalin Miglani

## Regional presidents



**US**  
Barbara Roth



**Canada, South America**  
Stephen Rice



**UK, Africa**  
Nigel Holland



**Europe, Middle East**  
Garry Nield



**South Asia**  
Sangeeta Talwar



**Asia Pacific**  
Sanjiv Sarin