

# Shan – Brand Current Status in the Market & Brand Positioning Elements

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## Assignment # 1

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### Current Status in the Market

Spices Industry of Pakistan worth of PKR 24 Billion Annual Business, according to the statistics provided by SMEDA<sup>i</sup> 2009-10. This industry can be further divided into two categories, with respect to the sources being known/unknown.

- Branded/Packed Spices (Market Share 40%, Business Volume PKR 8 Billion)
- Unbranded/Loose Spices (Market Share 60%, Business Volume PKR 10-15 Billion)

The Unbranded Industry wins a fairly larger volume of sales than the Branded spices manufacturers, but this Unbranded Spices Industry is showing decreasing trends due to the rapid changes in consumer behavior, may be due to the globalization, (according to PGA<sup>ii</sup>). This can be considered as an opportunity for the branded spices producer to increase their market shares. Unbranded players operate in the market through independent, self-owned businesses and they don't run their products under any label in particular.

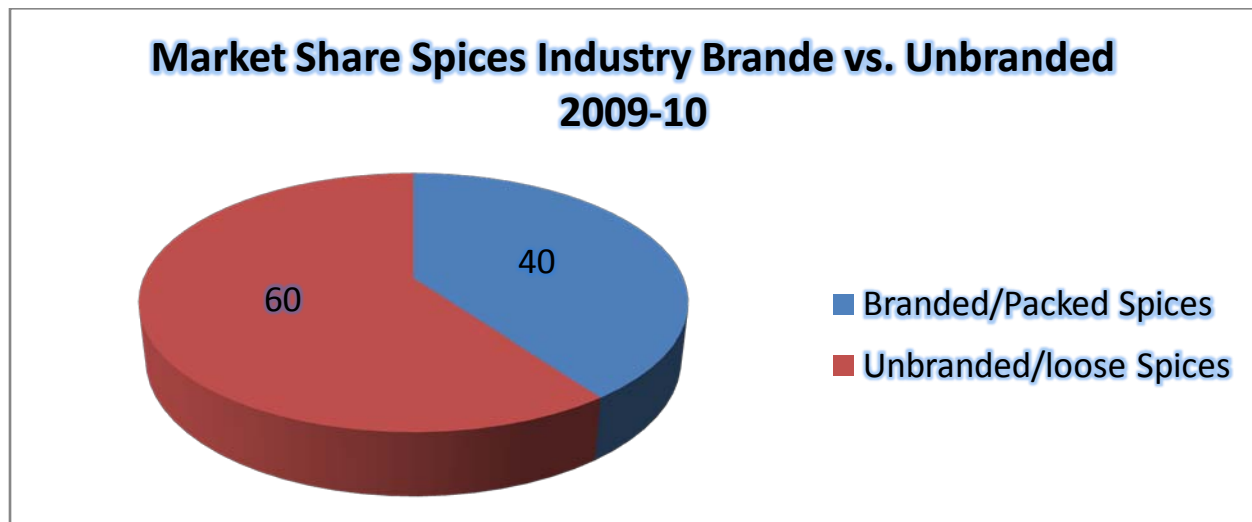


Figure 1: Secondary Source: Market Share Spices Industry Branded vs. Unbranded 2009-10

In the small list of Branded Manufacturer, some of the major known shareholders are Shan, National, Mehran, Chef's Pride etc. Competition is rising now as new players are also entering this market,

including Habib (HOL<sup>iii</sup>), Rivaayat (Kitchen Secrets) etc. The price levels of the branded packed spices are almost 30% more than unbranded spices.

Major Shareholder of the Packaged Spices Market:

- National foods
- Shan Foods

Other Shareholders with smaller Market Share:

- Chef's Pride
- Mehran Foods
- Ahmed Foods
- Habib Foods
- Zaiqa Foods
- Kitchen Secrets (Rivaayat)

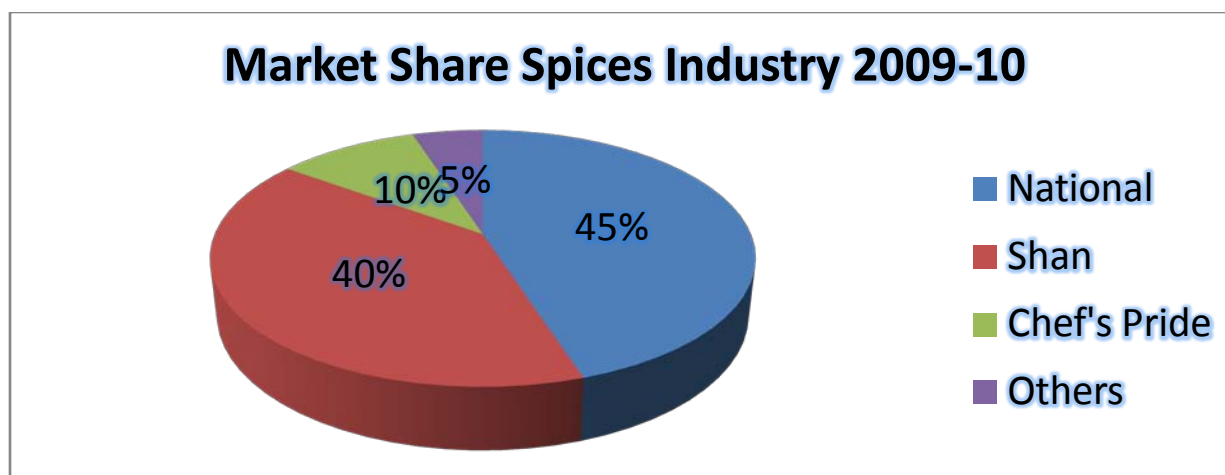


Figure 2: Secondary Source: Market Share Spices Industry SMDEA, Base year 2009-10

This data shows that Shan Foods is second to National Foods but the Market shares of both the brands are very close in volume. Chef's Pride holds 15% market share, but this brand is however not available on the major Sales points in Karachi.

Shan being the second biggest brand, hold 40% of the market share, comprising of following product categories in Spice Industry.

Product Categories	Existing Products
Recipe Mix	Biryani masala, BBQ, Qorma Masala etc
Plain Mix	Tez lal Mirch, Kaali Mirch, etc
Oriental Recipes	Beef/Chicken Chili, Chop Suey, Pilipino Beef Steak, etc
Arabic Spices Range	Khabsa, Sambhosa, etc
Salt	Shan Namak

The regional share percentage of the total of Shan’s annual business volume is shown in figure 3.

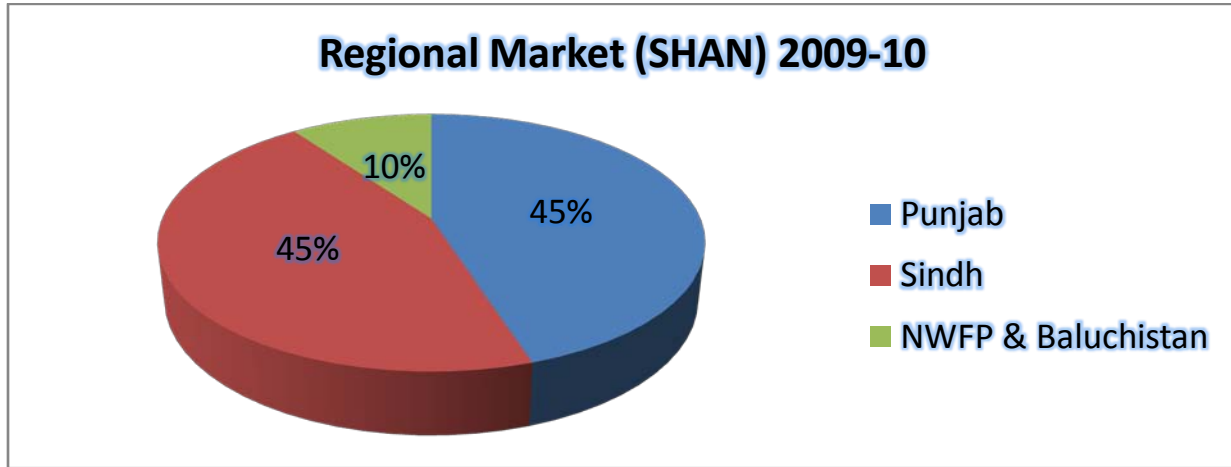


Figure 3: Secondary Source: Regional Market (SHAN) by SMEDA, Base year 2009-10

Shan sales distribution network is divided into four zones. According to the Sales Statistics from internal or Primary Data Sources, the total growth decreased in Karachi and South Regions, whereas Central and North regions gained percentage growth.

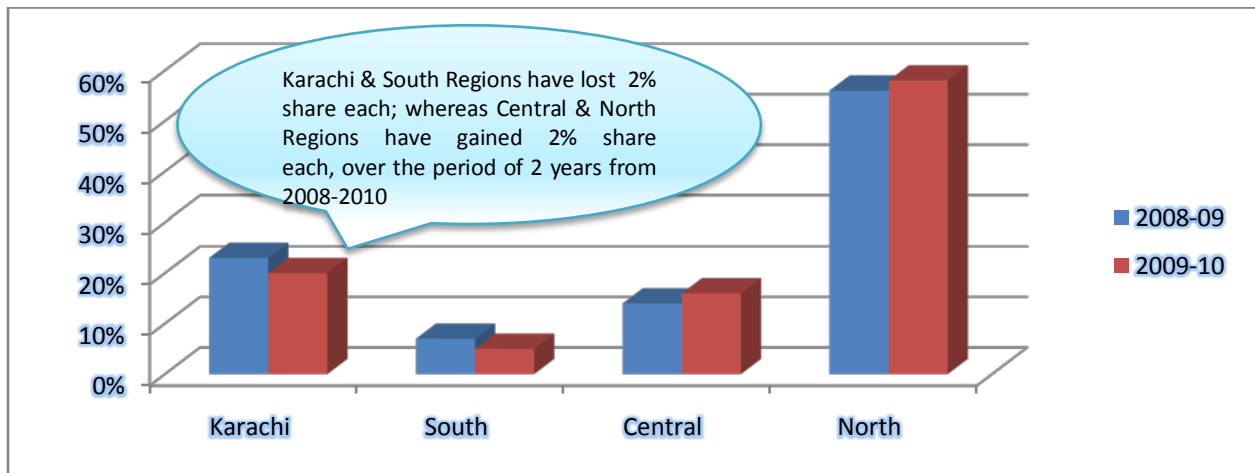


Figure 4: Primary Source: Primary Sales data for 9 months

### Brand Positioning

Shan delivers premium quality food products, with taste, aroma and color of the meal prepared with it, it provides cooking convenience, and delights the consumers’ five senses. In simple words Shan enriches the food experience.

## External Factors

### Competitive Environment

Shan's Competitive environment consists of two types of competitions.

- **Primary competitors:** Selling similar product ranges and categories

This category comprises of all packaged spice producers with similar cuisine recipe range. Shan holds a market share of 40% amongst them. The list of these competitors is in the Current Status in the Market section.

- **Secondary Competitors:** Selling Alternates and Substitutes

This category comprises of all unbranded/loose spice sellers, Restaurants serving similar cuisines as in the product range of Shan. Example, Student Biryani, Karachi Haleem, Bar B. Q. Tonite, etc

This category also consists of such alternate product providers which may satisfy the need (need to eat) pursue the brand. Example Ready to Cook, Knorr, Maggie, even Dawn Bread with Blue Band Margarine, etc, anything that can satisfy the consumers' need to eat.

### Primary Competitive Environment

	National	Shan
Market Share	45%	40%
Regional Strength	<b>Nationwide</b>	<b>Karachi &amp; North</b>
Regional Weakness	Not as such	Punjab & rest upcountry
Target Market	Females/males, 18-35 years age, belonging to SEC A-D	Females/males, 18-35 years age, belonging to SEC A-C
Point of Difference	First mover advantage, unique taste, new packaging	Challenger brand, unique taste, improved & contemporary packaging, strong in exports
Product Development Efficiencies	Average	Average

### Target

By attitude, the target market of Shan is the following.

- Women who don't compromise on premium quality culinary products
- Women who seeks Convenient and reliable cooking solutions
- Women who wants to be praised for preparing delicious and healthy food

By socio-demographics,

- SEC<sup>iv</sup> A to D
- Age 18 – 35

- Women
- Housewife, working woman
- Married, Single

### **Insight**

The target market simply want to be praised for good cooking and keep their family's taste buds satisfied.

### **Consumers Viewpoint**

#### **Benefits**

The functional benefit for which Shan is preferred over its competitor is the Unique Taste, Aroma and the Color of the Meal, Consistent Premium Quality and Convenience in cooking.

#### **Values & Personality**

Shan as a brand has a hazy personality. Despite of the fact that, it is perceived as one of the most trusted brand of spices, but due to their communication strategy of Shan, which is not showing any woman in their advertisements (as per Islamic Values), Shan wasn't able to create a strong personality in the consumers' mind. Most of the Shan consumers perceive it as a product which has no human attribute, due to the fact that the Brand name is Masculine which should have been feminine as it is a culinary product, no match. My hunch is that in some part of the consumers subconscious mind there must be an image of Shan as a "Trusted Friend (Guide) for Women". Shan must tailor their campaigns to use this opportunity and build up a concrete Brand Personality.

#### **Reason to Believe**

Shan is a FMCG brand. Moreover it is a food Product. Therefore a simple reason for a consumer to believe on the brand's promise is consistency of the product attributes. Enriching the food experience every time is the key reason consumer has, to believe in the brand.

#### **Discriminator**

- Unique Taste
- Best selected, premium quality raw materials
- New contemporary packaging
- V Lock Freshness

#### **The Essence**

- Tantalizing taste and other food experiences
- Availability of exciting variants

## Root Strengths

The Root Strengths of Shan is mainly functional differentiators, which is taste. Other differentiators are Higher (Premium) Perceived Quality, and convenience which satisfies the consumers' spot evaluation of Value for money. After more than 25 years in business, Shan is still maintaining these root strengths. According to Mr. Sikander Sultan (CEO, Shan Foods Pvt Ltd), he started with these strengths from a Shop at Jodiya Bazaar, Karachi.

Logo of Shan is also one of the root strength, as it is perceived as a sign of quality and taste.

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<sup>i</sup> Small Medium Enterprise Development Authority

<sup>ii</sup> Pakistan Grocers Association (SMEDA)

<sup>iii</sup> Habib Oil Mills

<sup>iv</sup> Socio – Economic Class