

CASE D-6

Tiger Balm: Works Wherever It Hurts

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Case Objectives

- To understand the concepts of product mix, product width, product length and product depth.
- To explore product life cycle concept and marketing strategies appropriate for each product stage.

Case Synopsis

- Tiger Balm was first introduced in China 100 years ago. Aw Chu Kin sailed to Burma to sell this unique medical herbal ointment that was known to soothe and relieve aches and pains effectively. This was well reflected in its slogan, 'Works Wherever It Hurts'.
- Tiger Balm was later brought in to Singapore by Aw's two sons, manufactured and distributed by Haw Par Healthcare ever since. Known to be one of the world's leading topical analgesics, Tiger Balm evolved from a single to a variety of formulations. Today, the company offers three main product lines such as Tiger Balm With You At Home, Tiger Balm With You At Work and Tiger Balm With You At Play.
- The biggest challenge for the company today is to fight for its market share in various local markets. Tiger Balm's market share was reported at 0.8% in 2006 and 2007. Its close competitors include Vita and Herbalife, and Halls and Dettol owning 0.9% and 1.0% of market shares respectively.

Case Questions and Answers

Question 1

Describe the product mix, product width, product length and product depth of Tiger Balm. How will you compare the product mix of Tiger Balm with its competitors'?

- Product mix is defined as the total number of products offered by a company. In this case, the product mix of Tiger Balm includes its three product lines and more than ten of its other individual products under its product lines.

- Product width is the number of product lines offered by a company. In the case of Tiger Balm, the company offers three different product lines. Product lines is a group of products that are closely related, either by similar functions they perform, their target markets, or the types of outlets and price ranges they are sold at. Tiger Balm's product lines include Tiger Balm With You At Home, Tiger Balm With You At Work, and Tiger Balm With You At Play.
- Product length is the number of items in a product line. Hence, taking an example of Tiger Balm With You At Home, this product line has five different products whose functions vary from product to product but generally created to serve similar target markets – the young and old at home. Its five different products include Tiger Balm White, Tiger Balm Red, Tiger Balm Soft, Tiger Balm Liniment and Tiger Balm Joint Rub.
- Product depth is the number of product variants. For instance, Tiger Balm Plaster Warm under the Tiger Balm With You At Work category comes in two sizes – small and large. Though both sizes aim to reduce aches and pain, each is created to relieve pain at different areas of the body. The large plasters are meant for the lower back and shoulder blades, while the small ones are meant for arms, legs and joints.
- Two competitors will be addressed here are Herbalife and Dettol.
 - Herbalife product mix covers a wider range of products and markets as compared to Tiger Balm. It has five product lines such as Core Products, Weight Management, Energy & Fitness, Targeted Nutrition and Personal care. Furthermore, the company carries longer and deeper product length and product depth. This to say that Herbalife offers a wider variety of products under each product lines and each sub-product line respectively.

For instance, there are six products under Weight Management product line. Under one of these products, there are four product variants such as Formula 1 Nutritional Shake Mix under the Healthy Meals category.

- Dettol on the other hand, only has two main product lines such as products For Your Home and For Your Family. While its product lengths are similar to Tiger Balm, it offers a wide variety of products that comes in different types and sizes.

For instance, under the Kitchen category, there are twelve different product variances such as Dettol Liquid – Antiseptic Disinfectant that comes in 5 different sizes of bottles. Therefore when compared to Tiger Balm, Dettol offers more product depth for each of its product category.

Question 2

How does Tiger Balm organize its products in its communications to its customers? Does this approach make sense? How can it be improved?

- Tiger Balm communicates its products by dividing them based on their forms such as Ointment, Plasters, Oil, Spray & Cream and Lotion. Also, the company tries to segment its products to different categories to serve the different groups of customers. This classification is reflected in its product lines.
- One of its product lines, the Tiger Balm With You At Home comprises of five different products such as Tiger Balm White, Tiger Balm Red, Tiger Balm Soft, Tiger Balm Liniment and Tiger Balm Joint Rub. These products, while they serve a different purpose from one another, they are marketed to serve the 'Home' market that comprises the young and old.
- Similarly, the Tiger Balm With You At Work range of products are created for executives to help them relieve their pains or aches at work. Some of the products come in different sizes and are designed or packaged in convenient packaging to make them handier for the office users.
- Tiger Balm With You At Play on the other hand, are created to serve the outdoor group focusing on the sports men. Products such as Muscle Rub and Plaster Cool are created to help this target market in recovering from injuries in the fastest time possible. Similar to Tiger Balm With You At Work product range, they are packaged in sizes that portable for sports men to carry around.
- The approach to classify products by use situations such as home, work and at play is a wise choice for Tiger Balm. As this allows customers to select products easily, based on their needs and use situations. This way, Tiger Balm also communicates its product functions clearly thus making product selection less of a hassle to customers.
- To improve its current communications, Tiger Balm may wish to focus on just a single approach. The company can either focus on product form or product use situation to classify its products. Product classification will be similar to Dettol product classification – for Your Home and Your Family.

Question 3

At what stage of the product life cycle are Tiger Balm's products? What strategies is Tiger Balm using? Are these appropriate?

- Product life cycle describes the stages a new product goes through in the marketplace: introduction, growth, maturity, and decline. Tiger Balm's products are positioned in the second stage of product life cycle – the growth stage.
- A product in the growth stage is characterized by rapid increases in sales and growing number of competitors in the same product class. Tiger Balm's 4.5% sales increase in 2007 may not represent a rapid growth, however, it is expected to grow at about 30% in near future.¹
- At this product life stage, marketers should focus on areas such as stimulating product differentiation in consumers' minds and solidify its distribution channels. It is important as to gain more market shares for the company.
- The first strategy used by Tiger Balm is to modify its product by altering its product's characteristics such as quality, performance, or packaging in order to improve sales. One example will be the line extension done for its Tiger Balm Neck & Shoulder Rub. It introduced a stronger version of this product and called it the Tiger Balm Neck & Shoulder Rub Boost to meet a different set of customers' needs.
- Secondly, Tiger Balm modified its market. The company introduced new products such as the lavender scent Tiger Balm white to focus on a new market – the younger generation. At the same time, this helps to change its product image that is seen as products for the old.
- On top of that, Tiger Balm put greater emphasis on producing plasters and other products in convenient or handy packaging as to promote frequent usage for customers. By classifying its products into different use situations does not only make product selection easier but also gives more reasons for customers to use Tiger Balm products.
- The next strategy was to reposition its product in customers' minds. Tiger Balm shifted its advertising media away from the traditional ones. As such, the company now advertises on Youtube and Google to attract the American customers as to reposition its product as trendy and up to date. It hopes to create a new statement that Tiger Balm products are suitable for all age groups.
- To solidify its distribution channels, Tiger Balm aims to enter into partnerships with various companies in Asian markets such as India.

- In overall, the strategies used are appropriate to serve Tiger Balm's needs at the growth stage. The first two strategies mentioned help the company to differentiate its products from competitors and increase usage rate which can result in higher market shares. Its future expansion will help to strengthen its position in overseas markets.

Question 4

Besides offering new products and modifying current products, what can Tiger Balm do to meet the challenges it faces in the Asian and global markets? Its two main challenges are to stay competitive in the market and fight for its market shares in various local markets.

- Firstly, Tiger Balm should continue on its new marketing campaign by featuring target market using the various products or even filming real customers' comments or testimonials on their experiences using the products. This will assure current users and entice prospects or even previous customers to purchase Tiger Balm products.
- In addition, Tiger Balm may wish to offer product bundles such as packaging its Home use products together to increase customers' total purchases. Lastly, the company can work with a health massage centre that offers muscle pain-relief massages so that customers can purchase a complete package of massage service and Tiger Balm product to relieve their muscle pains or strains. When successful, this will help the company to gain more brand shares in the market.

ⁱ <http://www.nicholashall.com/pdf/Insight2008/Asia%20Jan%2008%20Tiger%20Balm.pdf> Simplifyle.
Retrieved 18 May 2009.