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Analysis of Paperboat's Marketing Strategy

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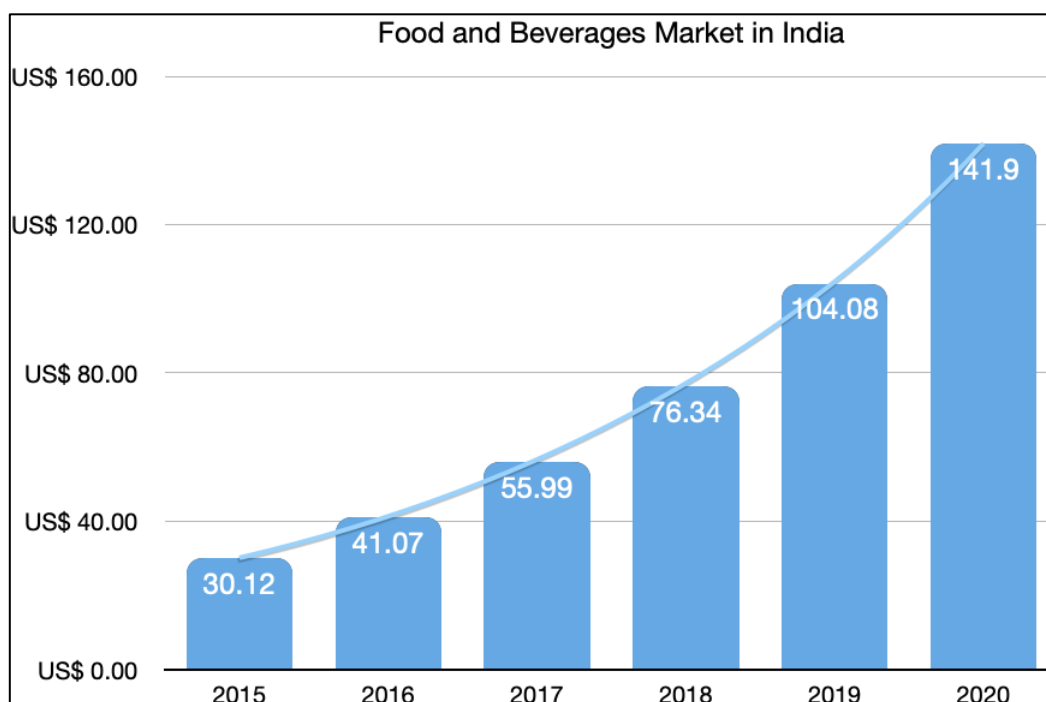
ABSTRACT

Paper Boat is a brand of traditional Indian beverages and foods produced and marketed by Hector Beverages. They wanted to be able to go back in time and bring back flavors of the summer holidays. From that idea, they introduced seasonal drinks and kept the older generations alive. These drinks were favored through the ages and told a story of their own. By filling the main gap and bringing back traditional drinks, the product was layered with memories and emotional insights. While many believe the product is the hero, and PaperBoat's product range definitely fulfills that, the company is entirely focused on the customers. The customer-centricity and the motto to touch the lives of people was what led it to be successful.

Keywords— Paperboat, Marketing, Strategy, Analysis

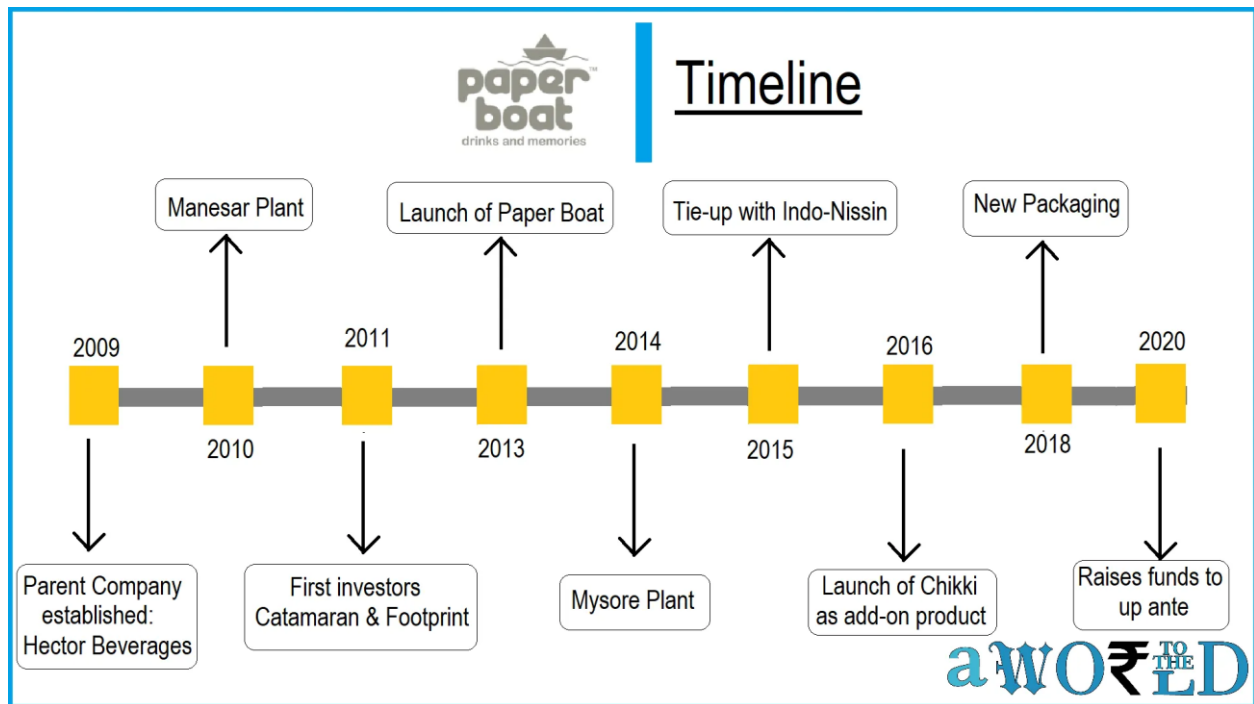
1. INTRODUCTION

The Beverage Industry offers products that are ready to drink. It has grown significantly over the years and many companies have been aiming to nail the accurate flavour wanted by the consumer. Most of the readymade beverages in India depend on the weather of the year. The hot summers call for the classic cooling refreshers while chilly monsoons call for hot drinks. The traditional drinks in India usually include a lot of herbs and spices which offer multiple health benefits. With increased globalisation and economic growth, many companies are able to cater various types of beverages based on their consumers. The food and beverage industry in India constitutes for around 30% of household spending. [1]



The vibrant food and beverage industry has seen tremendous growth in the recent past with the total revenue reaching around \$141.9 billion by the end of 2020. [2]

India is a country that has a culture that varies like its vast geography. In fact, childhood experiences throughout the country are quite common. PaperBoat is a brand of traditional Indian beverages and foods produced and marketed by Hector Beverages. It launched in August, 2013. This brand aims to refresh the cherished memories common to all Indians. They wanted to be able to go back in time and bring back flavours of summer holidays. From that idea, they introduced seasonal drinks and kept the older generations alive. These drinks were favoured through the ages and told a story of their own.



Since the parent company was established in 2009 and the launch of Paper Boat in 2013, Paper Boat has taken many strategic steps to set themselves apart as a brand. At first, they only offered two drinks, Aam Panna and Jal Jeera. Gradually, they began to expand their business and introduce new flavors including Nimbu Pani, Alphonso Aam, Jamun Kala Khatta and Chilli Guava. They also introduced seasonal drinks based on festivals to attract more consumers. Then, the Mysore and Manesar plants were built. Their unique marketing and approach has led to major revenue growth. The range of drinks offered by Paper Boat is what accounts for around 75% of their total sales. [3]

A PaperBoat was seen as a symbol of accomplishment as a child and brings back happy memories from the monsoon season. PaperBoat is known to evoke nostalgia to create an emotional appeal through its flavours, packaging and messages. They have created a strong connection with their audience through this as well. PaperBoat has unique marketing strategies that have had a significant impact on their popularity and revenue.

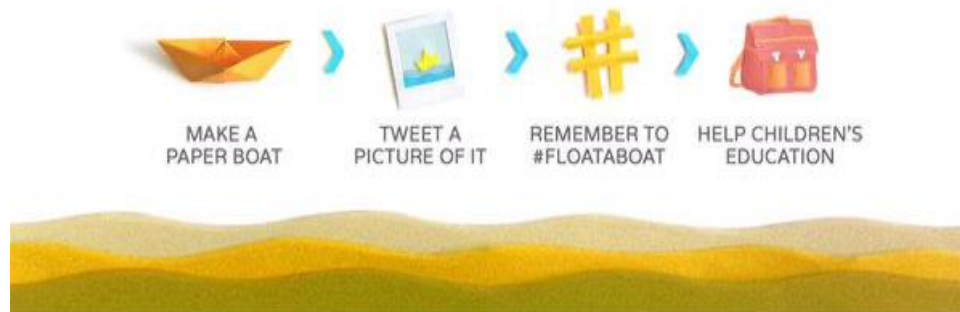


2. MULTIMEDIA MARKETING

PaperBoat focuses on the fact that each one of us belonging to any age group still do have a child within us. Their brand proposition of 'Drinks and Memories' allows customers to relive their childhood memories. Paperboat has taken different approaches to promote their brand this way.

The #FloatABOat campaign was launched during the monsoon season to connect the childhood memories of making a PaperBoat. This was able to capture the magic of childhood once again and highlight the simple pleasures of life. With an aim to have 10 lakh uploads within the 2 to 3 months in the monsoon season, people participated by making a PaperBoat and posting a picture with the hashtag on social media pages like Facebook, Twitter and Instagram.[4]

For this campaign, PaperBoat tied up with Parivaar, a West Bengal-based humanitarian service organization that works for the development of less fortunate children like orphans, girl-children and children from tribal areas. They donated 20 rupees for every picture uploaded. While promoting their brand, Paperboat was able to gain brand recognition and brand loyalty with the good cause the brand was working towards. This was a unique strategy that set the brand apart from others. They termed it as an innovative gift of a bit of childhood to those in need of it.



The campaign was timely, engaging and mostly memorable. It resulted in great success for the company. The brand was then available across 20,000 retail stores that included popular coffee chains like Barista, airlines such as Indigo and Jet Airways and even hotels like Westin and Trident.[5] They were able to attract customers for a good cause in an enjoyable manner.

Paperboat's social media approach mainly pictured their brand philosophy, 'Life is still beautiful'. People began to share their childhood memories and stories. By creating a strong brand interaction, the customers began discussing flying kites, riding to school, eating their favorite snacks and most importantly, floating paper boats. They were able to connect with the lives of people on an individual level. Rather than promoting the product, PaperBoat's unique strategy was to promote their philosophy. This customer centric approach helped customers relate their memories to the product indirectly.

PaperBoat released a few ad films as well. The "RizwanKeeper of the Gates of Heaven" appeals to the customers emotionally through the character of Rizwan. By using animation along with their storytelling approach, they show how the setting was unaltered by time to highlight the child-like quality. The video crossed more than 1.5 million views in a single week.[6] They considered their company to be offering a feeling rather than a drink to the customers. Each TV campaign helped double the sales of the drinks.



Marketing strategies have helped PaperBoat grow and achieve its goals. The 4 P's called the marketing mix is a framework used to analyse the product, price, promotion and packaging.

3. PRODUCT

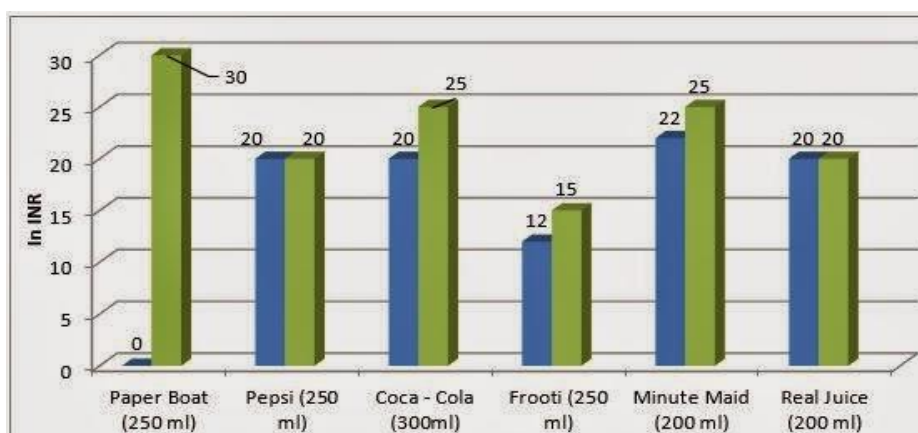
PaperBoat is known to have a wide product range with 14 different traditional drink flavours such as Aam Panna, Jaljeera and Chilli Guava. They are made with natural found spices and condiments without using any artificial flavourings. This has differentiated them from other brands. These drinks are of high quality and provide added health benefits to customers to build consumer loyalty. Their brand position is based off of the memories the drinks evoke.



They use storytelling to create engaging content and an emotional connect with the consumers. The simple name PaperBoat reminds one of the memories of monsoon as a child. The drinks also hinge around nostalgia and simplicity with their unique tagline: Drinks and Memories. To set the brand apart, they used standee pouches which had a look and texture similar to that of paper. This connected well to the idea of the product.

4. PRICE

While the single pack of 250 ml has a price of 30 INR, the large 1 L pack has a price between 80-100 INR.[7] The business has set costs higher compared to their competitors.



As PaperBoat can be seen as a pioneer in the traditional drink industry, they had an aim to grow their revenue and market share. This pricing could be considered ideal for a brand selling unique products. Even with Tropicana being a close competitor charging 25 INR for a 200 ml tetra pack, PaperBoat is among the highest priced beverages charging 30 INR for a 250 ml pack as seen in the image above.

5. PROMOTION

PaperBoat has made its mark through its distinct advertising and branding. They took help from a popular branding consultancy called Elephant Designs for brand naming. They aimed to evoke childhood memories with the help of their tagline, “Drinks and Memories”. They were able to build a strong connection with their consumers due to this. By partnering with Lowe Lintas, they were able to produce many short advertisements. Their memorable advertising was simple, evocative and pretty effective in reflecting their brand idea. The music used included a sonic property that evoked nostalgia from R.K. Narayan’s Malgudi Days. The packaging had a unique pear shape that stood out from the rest. It clearly displayed the main ingredients with the functional benefits. This communication through social media, newspapers, television and most importantly by word of mouth helped increase the popularity of the product. Apart from this, their social media approach involved many posts relating to common childhood memories like those shown below. Each memory was connected to each new product that helped them double their sales.



6. PLACE

As a majority of PaperBoat's customers are of Indian origins, the products are sold in all the major cities of India. Delhi and Mysuru are the production locations in India. PaperBoat's products are found in many retail and online stores like Amazon and Big Basket. The penetration of PaperBoat is quite limited. This limited visibility affects the sales directly. The products are usually present in larger retail stores and usually introduce discounts during the early stages to attract potential customers. With 30% - 40% of people not consuming alcohol in pubs, PaperBoat has made use of this untapped area.[8] They even distributed products through innovative channels. They targeted the airline industry where mobile customers could remember drinks nostalgically. They had tied up with IndiGo to sell their products on-board. Without following regular distributing and advertising strategies, PaperBoat chose to go along a unique direction. As seen, PaperBoat was able to develop customer-centric products that added meaning to their drinks. The 5 C's is another marketing framework that is generally used to analyze the company's environment through the company, collaborators, customers, competitors and context.

7. COMPANY

The company itself spends heavily on marketing, IT and research and development. This has allowed it to support its growth and promotion strategies. All the employees in the company share a common vision of innovation and creativity. This has been nudging them to create new ideas and encourages them to participate in any situation involving problem solving. The company reaches its economies of scale by increasing the scale of production to produce better quality products for a lower cost.

8. COLLABORATORS

Paperboat has partnered with a Japanese company called Indo Nissin Foods in 2018 which will help strengthen its distribution and brand presence.



Indo Nissin's market knowledge and distribution network allowed Paperboat to be accessible to more consumers and grow in the correct path. Paperboat's collaboration with Elephant Design for strategic design and brand consultancy allowed the company to create their eye-catching brand name, packaging and advertisements. The innovative marketing strategies were a result of this. It has also tied up with many airlines and plans to enter the Indian Railway Network have been made. [9]

9. CUSTOMERS

Paperboat targeted both ends of the market segment which expanded its opportunities. The brand has mainly focused on families with children as their primary target customers. Their emotional and nostalgic marketing strategies play a main role in this. Paperboat has worked on developing customer's brand loyalty. They have invested in customer research to find out information related to price sensitivity, taste preferences and health consciousness. This would allow them to find desired features and include that in their products and advertising campaigns. The campaigns mainly rely on the stimuli that include childhood and vivid flavours which incorporate multiple social factors like nostalgia and innocence.

10. COMPETITORS

In the Drinks Industry many other major brands such as RAW and Dabur are Paperboat's competitors. There is a high availability of substitute drinks from brands like Coca-Cola, Parle and PepsiCo. The rivalry is high which has made it difficult for Paperboat to achieve its market growth strategies fully. However, with the traditional drinks being unique in their vision, intention, product and advertising, Paperboat is able to maintain customer loyalty.

COMPANY NAME	BRAND NAME	FRUIT CONTENT	VARIANTS
Coca Cola	Minute Maid	5-15%	6
Coca Cola	Maaza	19.5%	1
Pepsi Co	Slice	13%	3
Pepsi Co	Nimbooz	5%	2
Pepsi Co	Tropicana	20-45%	12
Parle	Frooti	16.2%	1
Del Monte	Del Monte juice	15-40%	10
Hector Beverages	Paper boat	8-45%	12

As seen in the table above,[10] most of Paperboat's close competitors have less fruit content and fewer variants. Out of all, Tropicana's fruit drinks can be seen as a major competitor. Their fruit content is quite high and has the same number of flavour variants.

11. CONTEXT

In order to analyze the external environmental context affecting the company, a PEST analysis can be used.

- (a) Political: The local government system can have multiple laws and regulations which can be highly influential while implementing policies. With a stable political environment, Paperboat is able to use this environment to build strategies.
- (b) Economic: External economic conditions can affect the pricing strategies of Paperboat. With an increased demand for healthy beverages, Paperboat will be able to offer customers with the desired good.
- (c) Social: With Paperboat touching upon heartwarming childhood memories through their advertising campaigns, it will provide them with an opportunity to reach many customers. Increasing health consciousness among consumers can be a potential growth factor as well.
- (d) Technological: Paperboat has invested a lot in research and development and was able to incorporate technology in many business processes. Using digital methods of advertising through social media was one of the best methods used. By using the same container structure used by NASA, the company kept the customer in mind while redesigning it.

With these main factors being analysed thoroughly by the company, they were able to make the best use of the external environment to develop marketing strategies. With these points, the overall picture of this nostalgic brand can be seen using a SWOT analysis.

12. STRENGTHS

Paperboat has a diverse revenue source as it targets multiple segments of a market. For this, it has created a strong and diverse product portfolio to make sure all the customers are satisfied. With high quality products which are healthy and natural offered, they have gained many loyal customers. As the company has a strong relationship with its suppliers, they are able to strengthen the supply chain as well. Paperboat's intellectual property rights include multiple patents and copyrights as a result of innovation which can help them ward off competition to a great extent.[11] Their in house advertising agency they partnered with is very helpful for gathering more potential customers. From this it can be observed that Paperboat has efficiently used all kinds of resources for growth in the market.

13. WEAKNESSES

The main weakness relating to the product itself is the less shelf life. This makes up a major percentage in the reasons for product losses. Along with this, compared to many of the major competitors, Paperboat has lesser retail shelf space. The lack of awareness and limited distribution channels of the company is a main weakness as it results in a loss of many potential consumers.

14. OPPORTUNITIES

The increasing automation and technological development can allow Paperboat to incorporate innovative methods to current processes to gain a competitive edge. This would help make their marketing strategies more effective and reduce the cost of production. Social media marketing would allow for a much lower marketing budget. It would reduce the risks of marketing in the international market as well. Modern day customer-oriented marketing might be the next best thing for the company. Overall, market development can be seen as a huge opportunity for Paperboat.

15. THREATS

Changing Geo-political factors can change the laws and regulations in the international market. With this affecting the demand, it can pose a major threat towards the company. Unseen economic environment changes could be another threat affecting the revenue of Paperboat. As Paperboat offers products in a highly competitive industry segment with major rivals, it could lead to product substitution.

According to research, people experience 'Nostalgia' at least two to three times a week that makes them feel better.[12] Nostalgia is a desire and longing for the past. This was the most important tool used by Paperboat for promoting their product. In the recent past, nostalgia marketing has exploited social conditions and people's perceptions about past memories. In contemporary lifestyles where people are often stressed, nostalgia has the power to make people feel at ease and happy. Research has also shown that brands that use nostalgia for positioning themselves have a higher brand equity, heightened purchase intentions and a positive word of mouth. [13]

Overall, it can be said that PaperBoat has grown tremendously and placed itself well in a highly competitive drink market. Even though it started out in 2013, it did not take much time to become a top beverage brand in India. By filling a main gap and bringing back traditional drinks, the product was layered with memories and emotional insights. While many believe the product is the hero, and Paperboat's product range definitely fulfils that, the company is entirely focused on the customers. The customer centricity and the motto to touch the lives of people was what led it to be successful. PaperBoat offered simple drinks that always promised familiar tastes. Their unique visual language effectively communicated the simplicity of the drinks with colours from nature. It all added up to the feeling of nostalgia. The brand has made its own mark among the urban youth with the unique product range, innovative advertisements and customer interaction. Their creativity and innovation have set them apart from other brands which will soon lead PaperBoat to become one of the best beverage companies in the world and connect to many more lives.

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