

5-2016

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Citation

Singapore Management University. Tiger Balm: Roaring back to success. (2016). Perspectives@SMU.

Available at: <https://ink.library.smu.edu.sg/pers/161>

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TIGER BALM: ROARING BACK TO SUCCESS

Published:

25 May 2016



Mismanagement of the brand led to a lost generation of customers but modernisation efforts have set the leaping tiger on the path to growth and profits

Singapore-based Haw Par Corporation, which manufactures the Tiger Balm line of analgesic products, is riding on the success of its key brand. Profit after taxes for 2015 was a hefty S\$183.3 million (US\$133 million), a massive 70 percent jump from 2013 figures. The healthcare segment of the business headlined by Tiger Balm accounted for much of the upswing, generating S\$152 million in revenue for 2015 compared to just S\$92 million three years prior.

The modernisation of Tiger Balm has helped revive the brand following years of mismanagement. From re-designing the classic gold-capped hexagonal bottle containing the distinctive camphor- and menthol-scented cream to creating new products such as mosquito repellent patches and muscle rubs, Tiger Balm is no longer perceived as a “grandfather’s product”.

Innovating, modernising, prospering

Re-establishing the brand took patience and clever strategy. Following a 20-year period between 1971 and 1991 when Haw Par Corporation licensed to a partner the manufacturing and distribution of Tiger Balm, the company retook control to find a rapidly changing retail and trade landscape.

“There was a surge in the number of chain stores in many of our markets sounding the demise of smaller stores like Chinese medicine halls, provision shops etc [where Tiger Balm was traditionally sold],” explains **A K Han**, Haw Par Corporation’s Executive Director. “We had to rethink out handling of these new outlet types, which demanded higher margins and more promotional support. Moreover, distributors providing exclusive services were becoming a rarity,

hence new ways of dealing with the sales and distribution of our products had to evolve for us to stay viable.”

Tiger Balm also repositioned itself as a modern medication with a strong heritage – the original Tiger Balm cream was first produced in 1924 – and invested heavily to create products to cater to a new generation of consumers demanding convenience. A line of Neck and Shoulder rubs was launched to target office workers, while existing products were offered in new packaging formats such as tubes, gels and plasters.

In 2011, the company released a sub—brand “Tiger Balm ACTIVE” targeting fitness-oriented individuals with products that were not only analgesic in nature for sore muscles, but could also be used for pre-exercise warm up or post-exercise cool-down. Although ACTIVE products were in a different market segment from traditional Tiger Balm products, the well-established “Tiger Balm” brand name facilitated acceptance from consumers.

Tiger Balm goes global

While Tiger Balm is known in its traditional Southeast Asian markets as a cure-all topical remedy for ailments ranging from muscle aches to bug bites, Western consumers’ use it as they would Tiger Balm ACTIVE. As a result, large amounts are used to cover large surfaces such as legs or arms, which resulted in Tiger Balm being available in North America in 50-gram jars, whereas 30-gram jars are usually the biggest on offer in most other markets.

In fact, some Western tennis players have been seen using Tiger Balm during their matches. Australian Alicia Molik used it to massage a pulled muscle in 2005 and was later quoted in the Sydney Morning Herald as saying, “It’s amazing what a Tiger Balm does” following her victory over her opponent, Serbia’s Jelena Jankovic. In 2008, Jankovic herself was captured on video rubbing her arm with Tiger Balm during a match.

While such endorsements provide great publicity, Han could not ignore India and China whose economies are expected to dominate in the coming decades. According to research firm Euromonitor International, the Indian traditional herbal/analgesic market in 2016 is expected to grow to US\$178 million from US\$154 million in 2011. In China, the market was worth US\$325 million and will grow to US\$419 million by 2017. Says Han:

“China and India are potentially very large markets for Tiger Balm looking at their consumer base alone. In reality, however, these two markets pose its own share of challenges viz. consumers have traditionally been heavily reliant on ayurvedic and Chinese herbal home remedies for minor aches and pains.”

EYE OF THE TIGER...ON THE FUTURE

In Han’s view, Tiger Balm’s brand equity was perceived to be so high that he was confident the brand should be performing better in terms of actual sales. To do that, Tiger Balm needed to be global and yet stay relevant to the Asian consumer.

“Taking on the task of successfully growing a heritage brand is an onerous one and hence a heavy responsibility to levy on a marketing person,” Han says. “By itself, a heritage brand is of little value and will not grow unless its qualities and strengths can be successfully harnessed and transformed to meet not only the current, but also the future ever-changing needs of consumer lifestyles vis-à-vis increasingly competitive scenes.

“The brand’s heritage can only carry it so far and it then is in danger of being outmoded or not as meaningful to the next generation of consumers. The challenge to prevent this from happening requires much creativity, patience and focus.”

Should Han be focusing on identifying new markets to enter or continue to look for further innovations in the product line? Or should he take a bolder step to diversify the Tiger Balm brand beyond pain relief?