

CASE D-8

Tong Heng: Where Tradition Contributes to Taste

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Case Objectives

- To understand the impact of appeal on consumers.
- To understand the concept of brand identity.
- To differentiate between product brand and retail brand.
- To be able to accurately identify challenges to expansion

Case Synopsis

- Tong Heng was started in the 1920s by current owner Fong Wai Keong's great grandfather.
- It offers an assorted range of traditional biscuits and pastries, alongside its star enterprise – its egg tarts.
- Although given the opportunity to deviate from the business' deep-seated traditions, Wai Keong has chosen to keep things “as they were” and not do any drastic changes to their range of products, especially their egg tarts.
- This ensures that the egg tarts produced have maintained their original flavour and quality, and at the same time keeps the customers coming back.

Case Questions and Answers

Question 1

Why are Tong Heng's egg tarts still popular so many years after the first shop was opened? How has this appeal been sustained over four generations?

- Tong Heng has developed brand equity – the added value that the brand Tong Heng gives to their products that are beyond the functional benefits provided.
- With brand equity, customers can be sure that egg tarts produced by the company are assured of its quality, taste and all else associated with it.

- Simultaneously, Tong Heng has maintained its tradition and taste, making sure that its products, especially the egg tarts, continue having the same “original flavour” and quality.
- By maintaining consistent quality, Tong Heng depends on word-of-mouth publicity especially from the older generations to the younger generations of consumers within a tight circle of family and friends, and this ensures that younger consumers keep coming back for more.
- The appeal is sustained mainly by keeping the original flavours of the egg tarts and not changing too much of the recipe – by keeping its tradition and taste, instead of changing and moving along with the times.

Question 2

What is the brand identity and association of Tong Heng? Is this brand a product brand or a retail brand? How can the branding process be improved?

- The Tong Heng brand is famous for its egg tarts. It is associated with good quality flavourful egg tarts and various other hand-made pastries, which has remained as its brand identity over many years.
- Tong Heng is more a product brand and than a retail brand. The brand concept is more associated with products (especially egg tarts but also biscuits and pastries) rather than a retail operation (store ambience, music, lighting, ways of dealing with customers).
- To improve the branding process, the company can modernize its logo and add a catchy slogan to the brand so that it will stay in the minds of consumers and help consumers associate the logo and slogan to the Tong Heng identity and association (egg tart and special taste).

Question 3

How can Tong Heng grow and expand from its current operation? What are the challenges to expansion?

- Tong Heng can try coming up with new products and increase their product range. Instead of modifying the current products, increasing the product range gives variety-seeking consumers more choices while still being able to satisfy the current group of tradition-loving consumers.
- Challenges to expansion include the lack of manpower or resources, which can be easily solved by employing more kitchen staff to help cope with the

increase in production rate and by moving to another location to house the increased number of employees.

- However, customers might find the introduction of the new range of products a little distracting and might end up being confused by Tong Heng's brand identity, unless they change their brand identity to one of providing good quality pastries.