

The Mantra of Branding-A Case Analysis of Colgate Toothpaste in Dehradun, India

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ABSTRACT

Interestingly, with all this wealth of information, some of it developed by the greatest minds in the industry, we still hear “but what is branding?” Considering the multitude of sentences that begin “branding is ...”it’s an understandable question. What we believe people are looking for is not another definition, what rather understanding, and an idea of how and why this tool fits in to their business.

The brand Equation: Visual + Verbal + Experiential = Brand Perception

BRAND

A brand is a distinguished name and/or symbol (such as a logo, trade mark, or package design) intended to identify the goods or services of either one seller or a group of seller, and to differential than goods or services from these of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and producer from competitors who would attempt to provide products that appear to be identical

“A product is something that is made in a factory a brand is something that is bought by a customer. A competitor can copy a product, a brand is unique. A product can be quickly outdated, a successful brand is timeless.”(STEPHEN KING)

RESEARCH METHODOLOGY

Problem Formulation

In today’s competitive business environment, new toothpaste brands are entering into market and old players are making efforts to hold their position strong in the market. This leads to a problem that which brand is being preferred by consumers

OBJECTIVES

1. To find out the brand preference for toothpaste in Dehradun city.

2. To study the factors influencing brand preference for toothpaste.

RESEARCH DESIGN

Descriptive Research is being used because a large number of respondents are to be studied based upon the various factors. This research is adopted so as to know what is happening in the market with respect to product, the customer and their attitudes.

SOURCES OF DATA COLLECTION

Primary Data – Primary data are those statistical data, which are collected by the researcher for a fixed time period and are original in nature. If secondary data is found inadequate the researcher goes for primary data. Primary data are obtained by a study specifically designed to fulfill the data needs of the problem on hand.

Secondary Data – The Secondary data means data that are already available, which have already been collected and analyzed by someone else. Secondary data is used here to know that what exactly problem exist in rural marketing. Secondary data is collected from the various sources.

TOOLS FOR DATA COLLECTION

Primary data: For primary data collection survey method is being used. In survey method personal interview technique is used. Through this technique I could procure much more different information. Personal interview is conducted through Questionnaire. A part of Questionnaire is targeted to know the personal details of respondents. Another part comprised of the questionnaire and consists of closed ended questions with every question having its own importance and meaning.

Secondary data: Secondary data collection is done through various journals, books & websites, and the final data will be analyzed systematically to achieve the desired result.

SAMPLE DESIGN: - Non probabilistic convenience sampling.

Sample Size - 100 Respondents

Sample Area - Dehradun City

Oral Care

The oral care market can be segregated into toothpaste (60%), toothpowder (23%) and toothbrushes (17%). While 60% of toothpaste is sold on the family platform, around 35% is sold on cosmetic propositions. On the other hand, while toothpowder accounts for 52% of the market, red toothpowder accounts for 40% and black toothpowder accounts 8%. The penetration level of toothpaste/powder in urban areas is 3X that in the rural areas. Traditional materials such as neem and tobacco are popular for cleaning in the rural areas, Frequency of usage for toothpaste is only 1.5 times among other consumers, compared with 2 times in the developed world. Per capita consumption of toothpaste is only 70 gm compared with 300 gm in Europe and 150 gm in Thailand.

Given the low per capita consumption and penetration rates, toothpaste demand is mainly being driven by the overall market growth of 8-10%. The rural segment is also driving toothpowder growth.

Indian Oral Care Market

- Many people in India still clean their teeth with traditional products like Neem twigs, salt, ash, tobacco or other herbal ingredients.
- Average all India per capita consumption of toothpaste is a dismal 82gms.
- The dentist to population ratio is a critically low 1:35000 in the country. This results in low oral hygiene consciousness and widespread dental diseases.
- Less than 15% of the Indian toothpaste users brush twice a day.
- The toothpaste market grew at a CAGR of 7-8% between 1995-2000. But in 2001 the market grew by only 4%.
- Colgate and Hindustan Lever together account for over 85% of the organized toothpaste market.
- Red and Black toothpowder still accounts for 35% of the toothpowder market
- Brand loyalty is quite high for toothpastes, but is extremely low for toothbrushes.
- 10 years ago the most expensive toothbrush was priced at Rs4. Today one can

also buy a toothbrush priced at Rs999!

The Rs. 2,200-crore toothpaste market (the largest oral care segment), grew a robust 10 per cent in value in 2000. But this wound down to 2.4 per cent in 2001. In the first six months of 2002, the market for toothpastes in fact shrank by around 5.7 per cent in value; in volumes terms it was much higher at 11 per cent. The going was tough for the oral care industry.

Little wonder that teeth were bared between the market leader, Colgate Palmolive, and the challenger, Hindustan Lever, as the marketing war between the two FMCG giants for protecting market share got tough.

As if that was not enough, these players found new aggressive competition coming their way from regional low priced competitors such as Anchor Healthcare & Ajanta India, who priced their offerings at over 40% discount, giving market leaders a run for their money.

These low priced competitors accounted for more than 80 per cent of the growing 'discount segment'. It looked as if the multinational companies were helpless against challenger brands.

But then the big boys struck back, Colgate revitalized one of its existing brands, Cibaca as Colgate-Cibaca. It was to act as the price flanker brand in the portfolio. Ditto by HLL with Aim. At prices similar to the low priced challenger brands it took the battle right into their turf. The market dynamics changed. Within a year, Colgate Cibaca managed to garner whopping 50% of the market share in the discount segment and established Colgate's supremacy once again. HLL's Aim however could not match the success and was subsequently withdrawn from the market.

Today not only has Colgate's flagship brand grown, but Colgate Cibaca has risen to Become the 4th largest paste brand in the country in volume terms after Colgate Dental Cream.

Pepsodent and Close-Up (in fact Colgate Cibaca is now #2 in some geographies)It is interesting to note that Colgate Cibaca became big without any intensive communication support. It relied more on trade level activities and below the line strategies for its success.

However the journey for brand Colgate Cibaca has just begun. Having come up this far, Colgate now aims to move Colgate Cibaca to the next level of growth. Hence the challenge is to increase the share of Cibaca without cannibalizing mother brand Colgate.

With the huge consumer base waiting to be tapped and the expected rise in purchasing power as the economy picks up, oral hygiene in India may receive a fresh lease of life.

Indian Toothpaste Market

The oral care market in India is valued at Rs 3,976 crore and is expected to reach Rs 4,373 crore by 2012. The market can be segmented into mouthwashes, toothpastes, toothbrushes and tooth powders. The toothpaste market is estimated at Rs 2,866 crore and is expected to reach Rs 3,226 crore by 2012.

Today's companies are operating in macro environment forces. They are facing the toughest competition ever. So, all the companies are involved in winning customers and outperforming competition. Indian tooth paste industry is one of the country largest markets. The Indian tooth paste market is very big. Large numbers of manufacturers are present. They are trying to go at top most position.

Segments in the Industry

Price-based segmentation of the toothpaste category on the basis of price, the toothpaste market can be broken down into two distinct categories:

The Regular Segment		The Low Price Point Segment	
Weight in Grams	Price Range	Weight in Grams	Price Range
50	12.5 -24	50	8-10
100	25-30	100	14-20
150	35-45	150	25
Volume		Volume	
64922 tons		21641 tons	

Prominent Brands

Colgate	Meswak	Babool
Pepsodent	Dabur Red	Anchor
Close – up	Colgate Cibaca	Ajanta

Colgate – the dominance continues

Colgate has been present in the domestic oral care market for the last 70 years and its oral care brands enjoy strong brand equity in the market.

The company has traditionally been the leader in the domestic oral care market. Currently, it occupies a dominant position in the toothpaste segment with a 48% market share in the domestic market. Its relative market share is 1.5 times the second largest player.

Colgate acquired Cibaca in 1994 from Ciba Geigy. The company today has two main brands in the toothpaste segment – Colgate and Colgate Cibaca.

Faced with tough competition from HLL during early 2000, Colgate made a slew of successful new launches to protect its market share namely Colgate Herbal, Colgate Gel & revitalized Colgate Cibaca Top (in the low price segment).

The company has continuously relied on innovations to stay ahead of the competition. It launched 3 new innovative variants during the course of FY06.

1. Colgate Active Salt – that capitalises on the traditional use of salt for oral care
2. Colgate Advanced Whitening – that contains micro-crystals that polish ones teeth, restores and maintains their whiteness.
3. Colgate MaxFresh Gel – An innovative gel-based toothpaste with cooling crystals

Current Brand portfolio: Toothpaste

1. Colgate Dental Cream
2. Colgate Total
3. Colgate Herbal
4. Colgate Kids Toothpaste

5. Colgate Advanced Whitening
6. Colgate Active Salt
7. Colgate Fresh Energy Gel
8. Colgate Max Fresh
9. Colgate Cibaca

Strong Distribution

The company has backed its products with a very strong distribution network. The company's distribution network covers 940 direct accounts and 3.8 million retail outlets. Colgate is the 2nd most widely distributed product in the country. The company is tying up with initiatives like E-Choupal and Disha to further strengthen its distribution network.

Tremendous Brand Equity

Over the years, Colgate has been able to develop strong brand equity. It has been voted the “The Most Trusted Brand” in the country for 3 consecutive years in the AC Nielsen Brand Equity Survey.

HLL– The Challenger

In the late 1980s, Hindustan Lever used the novelty element in gel toothpaste to make steady inroads into Colgate's dominance in the oral care market. Its gel toothpaste, Close-Up helped HLL become the second largest paste brand; posing a stiff challenge to Colgate.

However as the novelty of gel toothpastes wore off, HLL renewed focus on its other brand Pepsodent to help it protect its turf. Its attempt at offering a low priced brand Aim was not completed and the brand was subsequently pulled back after launching it in early 2000. Both Close Up and Pepsodent have a combined market share of 30%. The current brands offer distinct propositions; Close Up addresses the youth with new benefits and value-driven propositions, whereas Pepsodent is firmly entrenched on the family health platform with variants catering to oral health.

DATA ANALYSIS AND INTERPRETATION

DIFFERENT TOOTH PASTSE BRAND USER

S.N o.	Brand	No. of Respondent	% of Respondent
1	Colgate	27	27%
2	Pepsodent	23	23%
3	Close-up	20	20%
4	Babool	13	13%
5	Anchor	9	9%
6	Any other	8	8%
Total		100	100%

RATING FOR EFFECTIVENESS OF COLGATE ATTRIBUTES

S.No.	Attributes	PERCENTAGE					Mean	Standard Deviation
		Effective		Non-effective				
		1	2	3	4	5		
1.	Value for money	25.9	33.3	22.3	11.1	7.4	2.40	10.66
2.	Economical	11.1	22.3	18.6	25.9	22.3	3.25	5.62
3.	Taste	29.6	22.3	25.9	14.8	7.4	2.48	8.91
4.	Prevention of decay	18.5	25.9	22.3	14.8	18.5	2.89	4.20
5.	Freshness	33.3	25.9	22.3	11.1	7.4	2.34	10.68
6.	Whitening Quality	25.9	22.3	18.5	18.5	14.8	2.74	4.23
7.	Foaming	29.6	25.9	18.6	11.1	14.8	2.56	7.66

RATING FOR FACTORS AFFECTING COLGATE

		PERCENTAGE						
S. No.	FACTORS	Highest			Lowest		Mean	Standard Deviation
		1	2	3	4	5		
1.	Availability	33.3	25.9	22.3	11.1	7.4	2.34	10.66
2.	Advertisement	29.6	25.9	18.6	11.1	14.8	2.56	7.66
3.	Price	11.1	22.3	18.5	25.8	22.3	3.25	5.60
4.	Quality	40.7	25.9	22.3	11.1	0	2.03	15.39
5.	Recommendation by dentist	22.3	29.6	25.9	14.8	7.4	2.56	8.91
6.	Brand Image	44.5	25.9	14.8	11.1	3.7	2.00	15.86
7.	Flavour	37.8	29.6	18.5	14.8	0	2.12	14.47

OVERALL SATISFACTION LEVEL

S. No.	Satisfaction level	Percentage
1.	Highly satisfied	44.4%
2.	Slightly satisfied	25.9%
3.	Neither satisfied Nor dissatisfied	18.5%
4.	Slightly dissatisfied	11.1%
5.	Highly dissatisfied	0%

CONCLUSION

- (1) After the critical analysis and the study of the data collection by me in Dehradun city I have come to know that Colgate, Pepsodent, and close-up are the brands of toothpaste which are mostly preferred by the consumers over other brands, the value of money, freshness, foaming and other attributes they require, they find in their preferred brand.
- (2) From the analysis I have come to know that customers, who use Colgate, and Close-up are satisfied with the brand performance, as no one has ticked highly dissatisfied option in questionnaire.
- (3) Consumers prefer these brands of toothpaste because of toothpaste Freshness, whitening quality, Taste and for some other reason.
- (4) From above analysis I have come to know factors which affect consumers in their purchase decision are Brand image, Flavor, quality for most preferred brands.
- (5) Most of the customers get the information about the brand by Television commercials.

SUGGESTIONS

The findings based on the data collected give a fairly good idea about the various aspects of some important popular brands such as Pepsodent, Close-up and Colgate. In terms of awareness, people are aware of both these brands. But they have their own likings and disliking.

After considering all these facts of the market and the working of the market, it has been recommended that in toothpaste Industry there is a cut throat competition is going on between major players.

To the small players it will not affect, even people also considers brands in their purchasing.

So for the new entry it is difficult to capture the market share but for the existing company the differentiation will not become that much difficult to capture the market. So, toothpaste Industry is an industry in which all players need to concentrate on customer's changing demand and preferences to survive in the market and to capture the market share.

Companies should make sure that the brand is available easily to their consumer.

Quality and taste of the product should be kept best at all times in order to retain the preferences of the consumer.

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