

# A comparative analysis on toothpastes in india marketing essay



**ASSIGN  
BUSTER**

All of us after waking up in the morning are in the habit of consciously or unconsciously reaching for the toothbrush cabinet. Brushing is such an important part of our everyday activity that it can be thought as a habit. It's this habit which has given rise to the global oral health care market which is estimated at a price of \$ 12. 6 billion. Currently 97% of the population in developed countries brush once daily and 86% are in the habit of brushing twice a day. Thus it leaves the marketers no room to expand. Compared to this the Indian market is a stark contrast with 55% of the population using toothpaste and 15% brushing twice a day. Hence it gives a clear indication that the market here lays untapped.

The earliest known reference to toothpaste in history is contained in manuscripts from Egypt and dates back to the 4th century A. D. It prescribes a mixture made of powdered salt, pepper, mint leaves, and iris flowers. Believe it or not, the Romans used a formulations based on human urine. Since urine contains ammonia, it might have been effective in whitening teeth.

The world has come far ahead since those days and today there are tubes containing fluoride pastes. Contrary to claims made about in the world media about the sanity concerns prevalent in India, much of the country is fairly educated in terms of its oral health concern. I do accept that factors like tobacco and similarly the omnipresent ' ghutkha' do skew the result in favour of the existing belief, of Indians having low oral hygiene. How-ever I believe we need to ask the right questions before we can pass on a judgement.

Today the Indian toothpaste market is buzzing with unforeseen intensity. Global players like Colgate-Palmolive and Unilever through its subsidiary Hindustan Unilever, were the dominant players till 1980's. After liberalization of the country, the market has seen the introduction of home-spun brands, like Dabur, Vicco and Anchor catering to different sectors of the audience.

The Indian oral sector contains 3 main segments:- (Source A & M)

Tooth Brush

55%

Tooth Brush

23%

Tooth Powder

22%

### **The glimpse into the competitiveness**

Dental care in India is greatly driven by innovation, packaging and promotion and retail availability. The market is estimated at  $\hat{a},^1$  4200 crores, in which toothpaste contributes the largest part, approximately 75% of the market. The toothpaste market is approx.  $\hat{a},^1$  3100 crores and is befeved to reach  $\hat{a},^1$  3, 226 crores by 2012. The toothpowder market, which is valued at  $\hat{a},^1$  472 crores, is expected to drop to  $\hat{a},^1$  458 crores by 2012. The mouthwash market – which is an infant product segment – is valued at  $\hat{a},^1$  84 crores and

is thought to be worth  $\hat{a},^1$  90 crores by 2012. The toothbrush market, currently is valued at  $\hat{a},^1$  550 crores.

For an illustration of the intensity of competition in the Indian consumer goods market, look no further than the current battle between the leaders in the toothpaste market. It all started when Hindustan Lever (HLL), an Indian subsidiary of Anglo-Dutch consumer goods giant Unilever, decided to launch a comparative ad blitz on its competitors, particularly market leader Colgate Palmolive. In a full frontal attack, HLL began running ads on TV, in print and on hoardings claiming that “ Pepsodent is 102% better than the leading toothpaste”. It mailed 2m brochures promoting Pepsodent to consumers across India. Having just been declared the most admired fast-moving consumer goods marketer in India after a recent survey by Advertising and Marketing magazine and ORG-Marg, a market research company, HLL is doubtless feeling cocky. Colgate Palmolive, maker of Colgate, the leading brand, is not amused. It hauled HLL to the Monopolies and Restrictive Trade Practices Commission (MRTPC) in New Delhi, alleging that the HLL ads constituted an unfair trade practice and seeking an injunction to restrain HLL from using the ads.

Advantage: Colgate

Colgate has won a temporary victory-the MRTPC has passed an interim injunction against HLL’s advertising campaign. The order restrains HLL “ from referring to any Colgate toothpaste in any manner, either directly or indirectly, by means of any allusion or hint in its TV commercials or newspaper advertisements or hoardings by comparison of its New Pepsodent

toothpaste with any product of Colgate in general and Colgate Dental Cream in particular”.

For Colgate Palmolive, the damage has already been done. Colgate Palmolive says it has lost 4.6 million consumers in a matter of one month-its share of the toothpaste market fell by 2.35% in September 1997. Colgate is the market leader in toothpaste with a share of around 59% in the second quarter of 1997.

HLL's gain, however, has not come cheaply. It reportedly spent nearly Rs80m (US\$2m) in a matter of six weeks. Colgate, which has in the past taken a reactionary stance to competition, is getting ready to take the offensive with education campaigns targeting specific groups including dentists.

## **The top 10 Players**

**Colgate:** Launched in India in 1937, Colgate which is owned by Colgate-Palmolive. It is the dominant toothpaste manufacturer in the country, offering a range of hygiene products and toothpastes that include Colgate Dental Cream, Colgate Total, and Colgate Herbal. Colgate-Palmolive is a 200 year old company and has subsidiaries in almost an equal number of countries; however such is its dominance in India that it is listed in only two countries USA and India.

**Pepsodent:** Launched in 1993 Pepsodent is the most popular brand in India. It has since its launch set the standard in Oral Care solutions in India. It is owned by Unilever, and under this brand there are different types of tooth pastes and tooth-brushes available that take care of specific oral needs. It is

known to offers solution to problems such as bleeding gums and sensitive teeth.

Close-Up: It is a youth brand of Unilever Arabia. Its USP has been its strategy to target the youth in all the demography's it has ventured into. It has been mindful of portraying itself as an edgy and a youth oriented brand which has stayed relevant till date. It has always carried an image of boosting confidence in those “ up close and personal moments”. Technologically it was one of the first to combine the effects of a toothpaste and mouth-wash into one. Also it was the first gel based tooth-paste in the world.

Sensodyne: Sensodyne is marketed for those individuals who have dentine hypersensitivity and/or sensitive teeth. It is part of GlaxoSmithKline. It is mostly prescribed by doctors to rid patients of un-wanted sensation caused by hot, cold, sweet acidic or similar contact triggers. Sensodyne has been relieving the pain of sensitive teeth for over 40 years and is renowned as desensitizing toothpaste. It contains Potassium Nitrate that is proven to reduce painful tooth sensitivity.

Anchor: Anchor Toothpaste is marketed by the company Anchor Health and Beauty Care which was founded in 1997, and in this sector it is one of the fastest growing companies. It is a much respected and a firmly established dental care brand in India. Anchor toothpastes are a mixture of ingredients necessary for everyday protection against bacteria and germs. Anchor also markets toothbrushes and toothpowder along with toothpastes,.

Dabur Red Toothpaste: Dabur Red Toothpaste is a blend of herbs which acts upon and eliminates many dental problems like toothache and gum  
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disorders etc., thus providing healthy gums and strong teeth. Natural ingredients like mint and clove gives refreshing breath. The toothpaste is known to have the power of 13 Ayurvedic ingredients that keeps dental problems away.

## **Market Strategy**

Penetration levels of Toothpaste

ALL INDIA

47. 0%

URBAN

73. 0%

RURAL

35. 0%

### **Source: Equity master. com**

To cleanse their teeth, consumers in the rural/semi urban areas i. e. the lower end of the market use toothpowder and natural products such as neem and black powder. These products are manufactured by the unorganized sector. A recent survey has found that the upper class urban consumers are looking for products that have cosmetic promises like fresh breath and white teeth and functional benefits like controlling plaque and preventing cavity etc. The two most important factors to boost a company's market share its ability to create awareness and thus increase intensity of use. Market

Penetration is driven by consumer's purchasing power, reach of media and availability. Thus we see Colgate using Dentists in its advertisements to emphasize the importance of a healthy dental habit.

## **Colgate**

Colgate has managed to develop a powerful strategy which has helped it in acquiring a substantial amount of share in the dental market of India. In order to strengthen its' Brand Identity, Colgate is still in the process of restructuring its Branding Strategy. Over the years it has positioned itself as a major brand in the dental market of India. The Brand has emerged as a market leader as it has bagged considerable amount of market share in all the segments of oral care like toothpaste, tooth powder and toothbrush. Although it has been facing stiff competition from the likes of Hindusthan Liver, Babool and Anchor, Colgate has succeeded in establishing its Brand Image and gaining substantial market share.

CPIL's focus in the Indian urban markets is primarily on conversion of non-users, encouraging the habit of brushing twice a day. One USP that the company has is its traditional strategy of non-users in rural India and converting them into consumers of toothpaste. To enhance awareness of oral hygiene in the interior areas of the country the company has novel. The campaign includes wall paintings, puppet shows, rural van operations.

For the households in urban areras the company has positioned tooth whitening toothpastes, gels, its herbal brands and mouthwashes under a premium price range. Products such as Cibaca and Colgate toothpowder,



Colgate dental cream are still targeted at the urban lower income consumers and rural areas.

Marketing strategies /Recent Product:

1. When HUL's Pepsodent claimed to offer protection " through the night". CPIL launched Colgate Total 12 a tooth paste that would fight germs for 12 hours thus taking the fight to Pepsodent.
2. CPIL realized the bond the Indian consumer has with traditional methodologies and introduced Colgate Activ Salt with a unique point of having a pinch of " salt" in it.

## **Hindustan Unilever Limited**

In 1993 HUL launched Pepsodent in an attempt to challenge Colgate.

Hindustan Unilever, the country's largest FMCG and Personal Care Company had initially come up with Close Up to take on Colgate. How-ever the move failed as Close-Up was positioned as a mouth freshener. Close Up which was targeted towards the urban youth did not fare well and thus the company needed a brand like Pepsodent which was targeted towards children.

HUL positioned Pepsodent as a toothpaste which offered long-lasting protection from germs; it could even fight germs for hours after brushing. Thus it came up with advertisements that showed people brushing at night. This was until then an untapped market – where people brushed twice a day -. How-ever eating into Colgate's pie was not an easy task. By 2000, Pepsodent even positioned it's once premium brand aggressively it in the rural market at â,<sup>1</sup> 10 for a 40-gram pack.

Research showed that mothers worry about what their kids ate, especially when they were away from them, and its impact on their oral health. Using that insight, it launched the ' Dishoom Dishoom' ad which said: " Let Pepsodent fight germs for you." Finally, HUL hit bull's eye; its market share went up to 13. 81 from 10. 96 per cent per cent in only eight months.

On the other hand Close Up, which was positioned as a youth dental care brand from the beginning derived for HUL critical mass growth from having two brands that were targeting two different consumers sections - Pepsodent as a complete family brand and Close Up as a youth product.