

# Cottle-taylor

[Business](#), [Marketing](#)



Therefore, original projections will be more beneficial. Also, Mr. Lang had predicted his estimates based on the success in Thailand, but the demographics of Thailand and India are very different. More than 80% of the individuals live on less than \$2 per day. So, we recommend that we should follow our original projection of 20% unit sales increase. Regards, Assistant Executives Cottle India Case Analysis Summary Situation analysis: Mr.

Lang has asked Brinda Patel to reconsider her projections of 20% for growth in toothbrush sales in India. Lang proposes that a 3% increase in the advertisement budget will lead to a 30% increase in sales. This assumption is based on prior experience and support they received in the Thailand Market. But demographics of India is very different from that of Thailand. Problem Statement: What is the feasibility of achieving a 25% to 30% growth in toothbrush business of Cottle India in 2010?

Options: Brinda Patel should present her original marketing plan of 20% projection Brinda Patel should revise her marketing plan to achieve 30% sales growth Criteria: Total revenue Profit from operations Accuracy of assumptions Evaluation of Options: From the analysis and projections, it is seen that though revenue would increase in revising the marketing plan and investing in advertising, the profit earned by the company with the original plan of 20% is still more than the revised market plan of 30%.

Recommendation: After evaluating the options, it is recommended that Brinda Patel sticks to her original marketing plan of 20% unit sales growth in the toothbrush market. Action plan She should present the original marketing plan to Lang She should convince Lang about the different

economic conditions in India as compared to Thailand. Table of Contents  
Situational Analysis Cottle Taylor company manufactures more than 200 products under three consumer- product categories: personal care, home care, oral care. It is a global company and operates in four geographic regions viz. Europe, Latin America, North America and Greater Asia and Africa.

In the year 2009, they generated \$5.7 billion out of the total revenue of \$11.5 billion from emerging. In India, they are present only in the oral care business and the operations are controlled by Cottle India. India was a massive market with above 1 billion people and was also the largest democracy in the world. In 2009, India had around 37% people living below the poverty line and around 80% lived on less than \$2 per day. Majority of the Indian population resided in the rural regions, where the wages were varying, so the consumers in the rural regions were sensitive to prices.

The company is trying to focus on both the rural as well as the urban market in India and has hence three products in different price ranges. They are low-end, mid-range and battery operated types. Also, the people living in the rural areas are not well aware of the product toothbrushes. Around 50% of the rural population use chewy twigs from neem tree to clean their teeth and maintain dental hygiene. Cottle India realized the need to educate the people in rural areas regarding dental hygiene and hence the company partnered with Indian Dental Association (IDA) in 2004, to inform and educate people about oral health issues.

In 2008, Brinda Patel took over as the marketing director of oral care operations. In 2009, Cottle India had market share of 38% in total oral care. Brinda had a marketing plan which would bring about a 20% increase in sales but her manager has advised her that the company could higher sales growth by investing more in advertisements. Brinda Patel's manager Michael Lang had increased unit sales growth by 25% in Thailand by investing around 3% of sales to advertisement. Langs's suggestion of opting the same strategy as that in Thailand will not suffice the purpose in India because of the huge demographic difference between the two countries.

**Problem Statement** What is the feasibility of achieving a 25% to 30% growth in toothbrush business of Cottle India in 2010? **Options** Brinda patel basically has two options with her. One was to go with her own option to stick to the original marketing plan and increase her sales by 20% or Another option is to go by Lange's target of 20-25% owtn in unit sales in the tlnancial year by increasing the budget ot advertising. **Criteria for Evaluation** Financial analysis is one of the main criteria to evaluate the options present in the situation.

In the current scenario revenue generation and increasing the profit are the main things to be taken into account. Since there are two criteria for evaluating the criteria we start with is the profit increasing option. **Evaluation of options** Option 1: Brinda Patel should revise her marketing plan to achieve 30% unit sales growth Lang projected a growth rate of the toothbrush sales by 16% for low end range, by 120% for mid-range and by 25% for the high

end range. The total revenue is calculated using these figures (see exhibit 1). The total revenue estimated by Lang is \$11705 million.

Comparing it with the Patel's estimation the revenue is high. With Langs projection the Revenue increases by 67.6%. On the other hand evaluating it in terms of profit there is an increase in profit from \$12.6 million to \$17.58 million (see exhibit 2). But Lang is assuming what worked in Thailand will work in India as well. His prediction is on the basis of the market result of Thailand and the demographics of the two countries are quite different. We see, from exhibit 1, that the mid-range toothbrushes are priced at \$0.98 and from Exhibit 3, it can be seen that approximately 42. % population live below \$1.37 per day and 40.7% live below \$2.74 per day. Thus, for a country with about 83.4 % population below \$2 per day, Lang had projected to increase in sales by 120 %. It is quite improbable for a consumer to buy a toothbrush worth \$0.98 when his disposable income is less than \$2 per day.