

Proposed market plan for ariel assignment

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



Marketing Management II Market Plan Company: P&G Product Category:

Laundry Detergent Submitted to: Dr. S. R. Singhvi Section A; Group 2 1. 2. 3.

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Market Plan for P&G Detergents Executive Summary P&G is the world's largest consumer goods company that markets more than 300 brands in over 180 countries. Many of its products are non-discretionary; however, some are considered premium purchases and their sales suffered during the recession as cheaper, generic purchases rose. P has some of the strongest brands in the world that usually provide it a significant competitive advantage. Procter & Gamble (P) is a Fortune 500 American multinational corporation. P focuses on its core businesses and leading billion-dollar brands for growth.

Nearly 80% of sales and growth this decade has come from 10 businesses, including baby care, blades and razors, fabric care, family care, feminine care, home care, oral care, prestige fragrances, retail and skin care. P has shifted the business portfolio to more beauty and personal care products. During this time, the percentage of sales in these higher-margin businesses has increased from 18% to 33%. Beauty, personal care, and health care products have accounted for 60% of sales and growth. In 2011, P recorded \$82.6 billion dollars in sales, Gross Profit was \$41.79 billion dollars, and Total Assets was 138.5 billion. For this assignment, data was collected from various secondary sources and a market analysis of the refrigerator industry was carried out. We first understood the corporate strategy and the brand strategy for the firm. We analysed the firm's strengths and weaknesses by conducting a SWOT analysis. Our strategy focuses on increasing the market share of P in detergent market by focusing on improved product, maintaining existing share and expanding in low-income segment. Vision Statement "Be, and be recognized as, the best consumer products and services company in

the world. " Mission Statement We will provide branded products and services of superior quality and value that improve the lives of the world? s consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper. " 2| Page Market Plan for P&G Detergents SEGMENTATION, TARGETING POSITIONING by P&G AND The synthetic detergent market can be classified into premium (Surf, Ariel), mid-price (Tide, Rin) and popular segments (Nirma), which account for 15%, 40% and 45% of the total market, respectively.

The product category is fairly mature and is dominated by two players, HLL and Nirma. Nirma created a revolution in the market by pioneering the concept of lowcost detergents. Currently, the market is highly segmented with the differential between the premium and popular segments at almost 7X. Premium Segment Brand Features Target Segment Ariel Oxy- Has a very nice aroma leaving your SEC A1, A2, A3 consumer having clothes ultra clean without the use of any monthly income more than 15K. Blu bleaching. The potential of oxy-blu cleans It also comes in Rs. sachet and degrease your daily cloth leaving a very nice and fresh smell Ariel Ultramatic Exclusively for Top load washing SEC A1, A2, A3 consumer mainly machines. The unique tumble wash using top-load washing machines. technology of top-loading machines needs Comes in box packaging a special chemistry, which Ariel Ultramatic provides. It completely eliminates the need to bucket soak and a scrub Exclusively for front load washing machines. The unique tumble wash

technology of front-loading machines needs a special chemistry, which Ariel Front-o-Mat provides.

Using Ariel Fronto-Mat completely eliminates the need to bucket soak and a scrub. Affluent washing machine users mostly SEC A1, A2 consumers. Comes in box packaging of small and large sizes Ariel Front-OMat Ariel 2 in 1 Ariel Spring Clean with a floral fragrance, Targeting SEC and Ariel Fresh Clean with a refreshing A2, A3, B1, B2 consumers fragrance. combination of „ superior cleaning? and „ a choice of fragrances? A1, Mid Price Segment Tide Plus Tide provides „ Outstanding Whiteness? on SEC B1, B2, C1 up to E1 white clothes & excellent cleaning on consumers preferring hand-wash coloured clothes as well.

With fragrance cleaning 3| Page Market Plan for P&G Detergents of jasmine and superior Tide Natural Superior washing with lemon and sandal SEC B2, C1 up to E1 consumers fragrance As per the survey it can be inferred that due to stiff competition from HUL and Commodity market P&G has introduced brands in Premium and Mid-Price category in wide range of prices, weights and value proposition, catering broad consumer base from Sec A1 to Sec E1 category. Ariel caters to Sec A1 to Sec B2 category, Tide Plus and Tide Natural target consumer from Sec B1 to Sec E1 category.

The usage reduces as we move down the socioeconomic class as other brands from popular category like Nirma, Fena, wheel and commodities get higher priority over P&G detergents due to their lower price. Brands, Positioning- as conveyed through the advertisements and survey S. no. Brand Name Proposition/Positioning Stain Removal, Less Water, Special

offering for Washing Machine, Extra Bright Clothes. Middle and premium segment “ Best clean with less effort”, For heavy duty laundry. Mass market consumers. Lower & medium-price segment. Whiteness, reaching both lower & upper class segment consumers through small introductory packing.

For mid-priced segment Stain Removal, Oxygen power, Kills germs. washing machine Middle and premium segment Whiteness benefit. Lime and indigo ingredient. Mass market consumers. Lower & medium-price segment Whiteness, Superior cleaning. Lower price segment Stain removal, fragrance, washing machine. Medium and premium segment. Whiteness. Lower price segment. No special benefits of the powder mentioned Low price, sold in open according to weight, sold on name of branded product 1 Surf Excel 2 3

4 5 6 7 8 9 Wheel Tide Henko Mr White Rin Ariel Nirma Commodity 4| Page
Market Plan for P&G Detergents

Competitor Analysis Globally Procter & Gamble provides the broadest and biggest portfolio of products in the household and personal care industry with 28 billion-dollar brands. P&G generates approximately one and half times the revenue than its closest competitor, Unilever (UL), and possesses a higher operating margin (20. 30%) than any of its competitors as well. Globally, P&G have achieved double digit growth in 2010, with a net profit margin of 15. 4%, ROI of 20. 7%, and ROE of 26. 1%. But in India P&G detergent market share is 17%, whereas HUL detergent market share is 37%.

Other close competitors of P&G in this product category are Nirma (19%), Ghari (10%). There are 19 such competitors in detergent market in India.

HUL is market leader in Detergent market in India. HUL have many SKU compare to P&G detergents. HUL detergents are available in 12 different SKU & at different prices whereas P&G is available only in 7 SKU. P&G has lesser promotional offers compare to HUL. P&G detergents have offers available on larger SKU i. e. on 3 kg & 4 kg packs whereas HUL detergents give promotional offers on 1 kg, 2 kg, 3 kg, 3.8 kg & 4 kg. HUL have better distribution network than P&G.

Shelf space occupied by HUL detergents are larger than P&G detergents i. e. Ariel & Tide. HUL is being in Indian Market for 70 years, whereas P&G is being in India for 30 years. Globally, P&G has huge R&D department & investment, but in India it invests only 0.05% of its total turnover. P&G's Tide has better penetration in the market as compare to Ariel. HUL's Surf Excel is market leader in premium brand detergents. Henko is another competitor of P&G's Ariel. But it does not have significant market share. Tide is capturing market share of smaller players in the detergent market.

But still Ghari & Nirma is having 10% & 19% market share. Tide is getting tough competition from HUL's Rin also. But better packaging & fragrance makes Tide more attractive offer to purchase at the same price. P&G detergents consist of enzymes, which keeps clothes fresh for longer period. P&G's global brand name helps them in penetrating into the existing market. But inefficient distribution network has reduced the market share of Ariel. Surf Excel has significant shelf space in retail stores & general stores.

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Product Form RIN Normal, RIN Jasmine and Rose, MrWhite, TIDE Normal, TIDE Jasmine and Rose, TIDE Lemon, FENA Impact, Bruno, RIN Matic, NAULAKHA Condet, HENKO Neem, Product Category Surf Blue, Surf Quick Wash, ARIEL Spring Clean, ARIEL Fresh Clean, HENKO Stain Champion Matic, HENKO Front Load, Surf Matic Top Load, Surf Matic Front Load, ARIEL Oxy-Blu, ARIEL Oxy Blu+ 24hr Freshness, ARIEL Ultra matic, ARIEL Front-O-mat, NIRMA Popular, ACTIVE WHEEL Lemon orange, Fena Normal, Ghari, NAULAKHA No. 66, Maruti Active , NIRMA Super, 555, commodities Generic Liquid detergents, solid soaps, detergent.

Oil based laundry soaps soapless TIDE Budget Food, Cosmetic, Medicine etc Product Form Surf Blue, Wonder Wash, Surf Quick Wash, ARIEL Spring Clean, ARIEL Fresh Clean, HENKO Stain Champion Matic, HENKO Front Load, Surf MaticTop Load, Surf MaticFront Load, ARIEL OxyBlue, ARIEL OxyBlue+ 24hr Freshness, ARIEL Ultramatic, ARIEL Front-Omat Product Category RIN Normal, RIN Jasmine and Rose, Mr White, NAULAKHA Nuera Bright, TIDE Normal, TIDE Jasmine and Rose, TIDE Lemon, FENA Impact, Bruno, RIN Matic, NAULAKHA Condet, HENKO Neem, NIRMA Popular, ACTIVE WHEEL Lemon orange, Fena Normal, Ghari , NAULAKHA No. 6, Maruti Active, loose, NIRMA Super, 555, Commodities Ariel Generic Liquid detergents, powder detergents, solid soaps. Oil based laundry soaps Budget Food, Cosmetic, Medicine etc 6| Page Market Plan for P&G Detergents Perceptual Map Fig: – Perceptual-Map for detergent brands Key positioning of P&G detergent brands is ? ? ? ? ? ? ? ? Premium brand against competitors Superior Technology Fragrance oriented detergent Importance of quality Low temperature wash detergent Environmental friendly Remove tough stains

Gives shine to your white clothes Gives brightness to your coloured clothes

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Industrial Analysis Porter's Five Forces Buyers Power ? Bargaining power of buyers is high in detergent industry because, o Individual customers are price sensitive and can easily switch to another detergent brand without any additional cost. o Detergents are similar in quality and standard for customers in a particular segment. o If we consider the buyers of consumer products to be retailers rather than individuals, then these firms face very strong buyer power. Retailers like Big Bazaar and hyper-marts are able to negotiate for pricing with companies because they purchase and sell large quantity of product.

Supplier Power ? Bargaining power of supplier is limited in detergent industry because, o Supplier firms are comparatively smaller and material supplied by them is similar o Some firms like P&G might want to have good relationship with suppliers as they want quality material at best prices Threat of new entrant ? Threat of new entrant is moderate o Large marketing and R&D expense to capture share of unorganized sector o Existing brands are very well known o Capital investment is low, so small manufacturer could develop a superior product Threat of substitute Threat of substitutes in detergent industry is high o Bar soap and liquid soaps are available o Many private-label brands exist in market Degree of rivalry ? Intensity of competition is high o Little differentiation in competitor's product o Switching costs are low, brands compete for same customers 8| Page Market Plan for P&G

Detergents The Marketing Environment PEST Analysis Political and legal ?

GST is to be implemented ? Transportation and infrastructure development in rural areas has helped in distribution network ? Restrictions in import policies ? Increase in FDI in the retail sector

Economical ? Economic Growth of 8. 5% ? Increase in disposable income at 10 % annually for next 8 yrs. ? Indian Detergent industry recorded a 6. 1% revenue growth in last fiscal year ? The FMCG sector is a 4th largest sector of India and detergent constitute 12% of the total FMCG sector. Socio-cultural ? Rural employment through NAREGA and other govt. plans ? Volume-driven growth in rural market. ? Major Young population can increase revenue. ? The Indian culture, social & life styles are changing drastically.

Technological ? Technology has been simplified and available in the industry. Foreign players help in high technological development. 9| Page Market Plan for P&G Detergents SWOT Analysis Strength Weakness ? Strong brand name ? Strong focus on R&D. Practice of Consumer demand research & its “ Connect & Develop” R&D structure. ? Spends twice as much as its nearest competitor on R&D i. e. around \$2 billion. ? Diversified product portfolio ? Pioneered the use of enzyme ? Established distribution networks in both urban and rural areas. ? P&G? s volume market share in detergents has improved from 7% in 2004 to 15% in 2010 ? Intermittent availability. ? Less SKU, compare to its competitors. Less advertisement activities. & promotional ? Inefficient distribution network. ? They spend very less on R&D in India, i. e. 0. 05% of their total turnover last year. ? Not present in all the P&G? s 38 product categories in India. ? The employment of foreign based local management who doesn? t have any international business experience ? Analysts feel P&G will not be able to change the structure of the

market, or threat HUL in a big way, and will mostly be able to gain market share at the cost of smaller players (Source: Credit Suisse analysts Venugopal Garre and Hitesh Das & [http://www. naindia. com/money/report_procter-andgamble-gains-at-cost-of-profitability_1567479](http://www.naindia.com/money/report_procter-andgamble-gains-at-cost-of-profitability_1567479)) Opportunity ? ? Digitize Transport Management System for better logistics. ? Increase capacity utilization of trucks. ? Global sponsor of Olympics for next 5 Olympics starting from London, 2012. This would demonstrate the powerful appeal of their brand portfolio and its tremendous global scale. This would help them in reaching 4 billion customers globally. ? P&G competes globally in 38 product categories, but in India they compete in less than 50% of their product categories.

So here they have tremendous growth opportunity. ? They can come up with new innovative 10 | P a g e Threat ? Profits have declined 30-90% in all its India businesses. ? P&G Home Products Ltd which operates in detergents, shampoos and skin care is P&G India? s unlisted company. ? The India business makes a miniscule contribution to P&G? s global sales. ? Threat from its rivalry HUL, which is well established in Indian market for 75 years and also popular segment brands Market Plan for P&G Detergents products in popular segment to give competition to its close competitors. They have more than 16, 000 product formulas and use more than 4, 000 colors in their product labels and plastic packaging. Over the next two years, they can reduce the number of formulas and package specifications by 30% and the number of colors they use by 50-75%. Color simplification alone has the potential to generate up to \$50 million in annual savings globally. (Source: [http://www. pg. com/fr_FR/downloads/ann](http://www.pg.com/fr_FR/downloads/ann)

<https://assignbuster.com/proposed-market-plan-for-ariel-assignment/>

ual_reports/PG_2010_AnnualReport. pdf) ? They should spend more on R&D in India. As of now, they spent Rs. 41. 05 lakhs last year, which is 0. 05% of total turnover. ? Growing industry ?

Large untapped rural market ? Increasing middle class. ? Increasing propensity to consume owing to increase in disposable income

Forecasting Sales Forecast for Detergent Market in INDIA Year 2009-10 2010-11 2011-12 2012-13 In billion Rs 121. 82 125. 91 130 135. 72 The Detergent market is expected to grow by 4. 4% for the year 2012-13

Sales Forecast for P&G in INDIA Year 2009-2010 2010-2011 2011-2012 2012-2013 Sales in billion Rs. 19. 48 18. 94 20. 40 19. 77 11 | P a g e Market Plan for P&G Detergents

Demand (US million dollar) 700. 0 605. 4 600. 0 500. 0 400. 0 300. 0 200. 0 100. 0 0. 0 330. 351. 8 374. 1 398. 0 476. 6 423. 4 449. 2 505. 8 536. 9 570. 1

Demand (US million dollar) 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 Source: Philip M. Parker, INSEAD, copyright 2008, www. icongrouponline. com

COMPANY HUL Nirma P&G Ghari Others Market Share 37% 19% 17% 10% 17% P&G? s share in the detergent market is 17% which includes both Ariel and Tide, While Ariel is prominent in the super premium detergent segment which comprises of 10% of the overall detergent market.

12 | P a g e Market Plan for P&G Detergents Goals and Objectives ? To arrest the fall of market share ?

To improve distribution channel and increase availability through-out the country ? To revive the brand image of Ariel as premium laundry detergent

P&G is having two detergent brands Tide and Ariel. Tide is catering to mid-price segment and Ariel is targeting premium segment. Ariel is in

competition with HUL? s Surf which is the market leader in premium detergent segment. Ariel is presently struggling in the market, with limited availability in the market premium segment is ruled by Surf excel in machine wash and hand wash detergent segment. Surf has become generic brand for the detergent.

Tide on the other hand is doing well; it is competing with Rin, Henko and Mr. White. P&G is not having any brand in lower segment (popular segment). Ariel is differentiated as a high quality, fragranced, tough on stains and soft to fabric detergent. Four different versions of Ariel are available in the market, Ariel 2in 1, Ariel Oxyblue, Ariel Ultramatic and Ariel Frontomat. Of these, first two versions cater to bucket wash and latter cater to machine wash. Tide is differentiated as fragranced and quick stain removal at affordable price. It comes in two variants, Tide Naturals and Tide plus.

Both versions cater to bucket wash and target upper and lower middle class. P&G is not having any brand in popular segment. Brands in that segment are Wheel, Ghadi, Nirma and Fena. This segment caters to majority of rural market which is currently expanding rapidly. This market requires low priced fabric whitener. Core benefit Basic product Expected product Augmented product Potential product Fabric Cleaner Detergent powder Fabric friendly, soft to hands, cleaning stains, color friendly Fragrance, active enzymes, lathering Liquid detergents, gel based detergents 3 | P a g e Market Plan for P&G Detergents Market Penetration Strategy Brand Ariel Tide Proposed new product in economy range Overall product line Short Term Increase market share Defend market share Increase market share Increase and defend Long

Term Maintain market share Control market share Maintain market share
 Maintain and control Product Management Plan Product: ? Product line Mix
 Brand Ariel Tide New proposed product Plan Refine No change New product
 Expected Result Increased market share for this product No change
 Encourage trial Product Branding plan Brand Ariel Tide New proposed
 product Plan Modification Brand reinforcement Brand trial Existing Existing
 Line Extension New Brand Extension Expected Result Slight enhancement in
 Ariel 2in1 to make it competitive with Surf Excel Blue Continued awareness
 Create awareness New Multi brands New Brands Brand Development
 Strategy ? Ariel 2in1 and Ariel OxyBlu compete with Surf Excel Blue & Surf
 Excel Quick wash respectively. Both are costlier than HUL's brands and are
 perceived as of lower quality.

Ariel 2in1 and Ariel OxyBlu should be modified so that their cleanliness
 properties are enhanced such as adding bleach agents especially for 14 | P a
 g e Market Plan for P&G Detergents white colored clothes. Also the line
 extension is required in Ariel to increase SKU's and also to cover specific
 customer need. In BDS fig, Ariel lie in the 1st column. Ariel could also bring
 carry bag packing as use of polythene has reduced and also it would
 differentiate it from other ? For Tide, brand reinforcement is required to
 maintain current market share. New proposed product which is to target
 popular segment should be promoted and brand awareness should be
 created, it lies in the 3rd column of BDS. Packaging of new product should be
 attractive and should set it apart from Nirma, Wheel, Ghadi and Fena. It
 should also compete with brands of popular segments in terms of SKU's,
 price, availability and quality. It should position itself as maximum form

producing, quality cleaning at minimum quantity used Price ? As the industry is price sensitive, reduction in price of Tide or Ariel may lead to price wars as had happened before between P&G and Unilever. For new product, three SKU? s would be introduced 1Kg for Rs. 35, 475gm for Rs. 20, and 225gm for Rs 10. ? The product would be developed by reverse engineering for lower end segment 1Kg SKU MRP 35 Cost to retailer (Margin 15- 29. 75 10%) Cost to wholesaler (Margin 2. 5- 29 1. 5%) Cost to distributor (Margin 1- 28. 56 1. 5%) Cost to C&F (Margin 0. 5-1%) 28. 28 475gm SKU 20 17. 6 17. 25 17 16. 9 225gm SKU 10 9 8. 87 8. 77 8. 73 Considering 40% manufacturer margin, the cost that can be incurred is Rs. 17 per Kg 15 | P a g e Market Plan for P&G Detergents Pricing of different P&G products

Costing We came to these prices as we made our own basic detergent. Here the major difference lies in the cost of enzymes. These enzymes, colour, perfume, oxygen-balls are the added features in the quality of detergent. Cost of enzymes is important as its range varies from Rs 20/- per 5 kg for local enzymes to Rs 2000/-kg and above for active enzymes. The companies have different mix of enzymes and add-ons that provides a particular attribute to a brand. Further the cost of Distribution and Promotion is added to the cost of manufacturing. Brand Weight Kg Price Rs(A) Price/1 kg

Cost to retailer (Margin 12%) 294. 80 277. 20 149. 60 1. 76 175. 12 123. 02 545. 60 342. 32 436. 48 17. 60 0. 88 49. 72 Cost to Wholesaler (Margin 1. 5%) 290. 38 273. 04 147. 36 1. 73 172. 49 121. 18 537. 42 337. 19 429. 93 17. 34 0. 87 48. 97 Cost to Distributor (Margin 1%) 287. 47 270. 31 145. 88 1. 72 170. 77 119. 97 532. 04 333. 81 425. 63 17. 16 0. 86 48. 48 Cost to

C&F (B) (Margin 0. 5%) 286. 04 268. 96 145. 15 1. 71 169. 91 119. 37 529.
 38 332. 14 423. 51 17. 08 0. 85 48. 24 Price A-B Ariel 2 in 1 Ariel 2 in 1 Ariel
 2 in 1 Ariel Oxyblu Ariel Front -o-mat Ariel

Oxyblu Ariel Oxyblu Ariel Oxyblu Ariel Ultramatic Tide Naturals Tide Plus Tide
 Plus 16 | P a g e 3 2 1 0. 014 1 1 4 2 3 0. 4 0. 013 0. 95 335 315 170 2 199
 139. 8 620 389 496 20 1 56. 5 111. 67 157. 50 170. 00 142. 86 199. 00 139.
 80 155. 00 194. 50 165. 33 46. 51 76. 92 59. 47 48. 96 46. 04 24. 85 0. 29
 29. 09 20. 43 90. 62 56. 86 72. 49 2. 92 0. 15 8. 26 Market Plan for P&G
 Detergents Tide Plus Tide Plus Tide Plus 6 2 0. 95 430 150 74 71. 67 75. 00
 77. 89 378. 40 132. 00 65. 12 372. 72 130. 02 64. 14 369. 00 128. 72 63. 50
 367. 15 128. 08 63. 18 62. 85 21. 92 10. 82 Pricing strategy for P&G
 detergent depends on the SKUs and brands.

The New Product in popular category was following market-penetration
 pricing and give flat margin along the supply chain. This will help them
 promoting the product along value chain and also enhance the shelf space
 for the product. Established brand like Ariel and Tide follow different pricing
 strategy along their product line depending on the features and weight .
 Different promotion techniques are used long with traditional medium of
 Print and Television advertisement. This adds to the final price of the
 product. Brand Ariel 2 in 1 Ariel Oxyblue Tide Plus Ariel Oxyblue Ariel
 Ultramatic Ariel Oxyblue Tide Naturals

Weight(kg) 3 4 0. 95 1 3 2 0. 4 Weight(gm) Price(Rs) 3000 4000 950 1000
 3000 2000 430 335 620 56. 5 139. 8 496 389 20 Offer MRP 410/-, Discount
 75/2+2 74 154 Discount on MRP 597 Free Bucket 400+30 gm Price/10 gm 1.

12 1. 55 0. 59 1. 40 1. 65 1. 95 0. 47 As seeing from the above table, the pricing strategy ranges from product line, Product bundling pricing, Discount pricing etc. 17 | P a g e Market Plan for P&G Detergents Brand Ariel OxyBlue Price/10grm 1. 95 Features Has a very nice aroma leaving your clothes ultra clean without the use of any bleaching.

The potential of oxyblu cleans and degrease your daily cloth leaving a very nice and fresh smell Exclusively for Top load washing machines. The unique tumble wash technology of top-loading machines needs a special chemistry, which Ariel Ultramatic provides. It completely eliminates the need to bucket soak and a scrub Exclusively for front load washing machines. The unique tumble wash technology of front-loading machines needs a special chemistry, which Ariel Front-o-Mat provides. Using Ariel Front-o-Mat completely eliminates the need to bucket soak and a scrub.

Ariel Spring Clean with a floral fragrance, and Ariel Fresh Clean with a refreshing fragrance. combination of „ superior cleaning? and „ a choice of fragrances? Tide provides „ Outstanding Whiteness? on white clothes & excellent cleaning on coloured clothes as well. With fragrance of jasmine and superior Superior washing with lemon and sandal fragrance Ariel Ultramatic 1. 65 Ariel Front-O-Mat 1. 99 Ariel 2 in 1 1. 58 Tide Plus . 75 Tide Natural . 47 18 | P a g e Market Plan for P&G Detergents Distribution Channel and strategy: Manufacturer Agents(C Regional Distributor & F)/ Sales Large retail stores Distributors

Consumers Business Consumers Retailers Wholesalers Consumers Retailers Consumers Ariel is facing a major problem of availability in India and this can

be tackled only by improving the distribution system. This can be achieved by creating distributors of global standard and by establishing Customer Business Development strategy. CBD (Customer Business Development) is a multifunctional strategy with a view to deliver volume and profits to the company. By partnering with the „ Customers? the company ensure maximum involvement. CBD also aims at building the sales, shares and profits of the Customer (distributor).

This leads to a decrease in the number of distributors however leads to an increase in profit per distributor. Another important step is to increase the coverage from 6. 2 lakh stores to at least 9 lakh stores by offering special discounts/ promotional offers to the retailers via the distributors The Importance of Distribution Most producers use intermediaries to bring their products to market. They try to develop a distribution channel (marketing channel) to do this. A distribution channel is a set of interdependent organizations that help make a product available for use or consumption by the consumer or business user.

Channel intermediaries are firms or individuals such as wholesalers, agents, brokers, or retailers who help move a product from the producer to the consumer or business user. A company? s channel decisions directly affect every other marketing decision. Place decisions, for example, affect pricing. Marketers that distribute products through mass merchandisers such as Big Bazaar will have different pricing objectives and strategies than will those that sell to specialty stores. Distribution decisions 19 | P a g e Market Plan for

P&G Detergents can sometimes give a product a distinct position in the market.

The choice of retailers and other intermediaries is strongly tied to the product itself. Manufacturers select mass merchandisers to sell mid-price-range products while they distribute top-of-the-line products through high-end department and specialty stores. The firm's sales force and communications decisions depend on how much persuasion, training, motivation, and support its channel partners need. Whether a company develops or acquires certain new products may depend on how well those products fit the capabilities of its channel members. Some companies pay too little attention to their distribution channels.

Distribution strategy is considered to be the most effective because it affects the pricing strategy a better distribution strategy can lead to a better profit position and in turn would benefit the channel partners. Promotion Plan Brand Ariel Plan Increase frequency Message Arouse desire to buy, communicating effectiveness of fabric cleaning Maintain reach and Remind-awareness, frequency levels with hold interest existing ads Increase advertisement, sponsoring events Inform-awareness, gain attention Expected Results Meet target sales forecast Continue to saturate market with existing message Meet target sales forecas

Tide New product P&G has only 3% share in television advertisements which is very low compared to its competitors. Ariel: The promotion will focus on women and youth and how using Ariel can save their time as it has very quick cleaning ability. This will be achieved by extensive advertising

program. Regular advertisement for Ariel and Tide to create top of the mind consumer awareness of brand: These ads will be aired on business family entertainment channels like Colours, Star Plus, Sony, Zee during their prime time, on sports channels during special events and on lifestyle channels such as NDTV imagine & zoom.

Magazines like Femina, Cosmopolitan, Grihshobha, etc. 20 | P a g e Market Plan for P&G Detergents Budget Media Mediums Media Electronic/mass TV media Cost calculation (52 Days) x (4 Channels) x (2 Times a Day) x (2, 00, 000/30 Sec) Radio (52 Days) x (2 Channels) x (5 Times a Day) x (700/10 Sec) ICC twenty20 (20 slots per World Cup match for 27 matches) x (2. 5 Lakh /10 sec slot) Newspaper (52 days(Sundays))x (3 Newspapers) x (Rs. 450/sq. cm) Magazines (2 Magazines) x (6 issues) x (30, 000 per issue per ad) Total Cost Rs. 8, 32, 00, 000 Rs. 3, 64, 000 Rs. 3, 50, 00, 000 Print Rs. 70, 200 Rs. 3, 60, 000 Total Sales Force Total Rs. 21, 89, 94, 200 50 executives x 12 x 15, 000 per Rs. 90, 00, 000 month Rs. 22, 79, 94, 200 Marketing Implementation, Evaluation, and Control The five modules of MIEV are: 1. Annual plan control It comprises at least five performance gauging tools: I. Sales analysis: ACTUAL SALES: RS. 20. 40 billion TARGET SALES: RS. 19. 77 billion Market-share analysis: $(19.77 \times 100) / 135.72 = 14.57\%$ Expense-to-sales analysis Rs. 227, 994, 200 Financial analysis Profit Margin = $2.73 / 19.77 = 0.14$ II. III.

IV. 21 | P a g e Market Plan for P&G Detergents 2. Profitability control: Money spent on Media i. e. on print & mass media: Rs. 218, 994, 200. 50 Sales Force executives, earning 15000/month: Rs. 9, 000, 000 This would result in Net profit of 2. 73 billion 3. Efficiency control: It involves micro level analysis

of various elements of the marketing mix including sales force, advertising, sales promotion & distribution. Money spent on Media i. e. on print & mass media: Rs. 218, 994, 200. 50 Sales Force executives, earning 15000/month: Rs. 9, 000, 000 4.

Strategic control: Strategic control processes allow managers to evaluate a company's marketing program from a critical long-term perspective. This involves a detailed and objective analysis of a company's organization and its ability to maximize its strengths and market opportunities. ? To arrest the fall of market share ? To improve distribution channel and increase availability through-out the country ? To revive the brand image of Ariel as premium laundry detergent P&G's detergent market share is not increasing at fast pace, so our new marketing strategy would enhance it.

We have reduced the number of distributors, & converted them to mega-distributors, that would decrease the product cost & increase Net profit. We are also investing 22. 8 crores in Advertisements & promotions, so as to increase the brand image of Ariel. We are also going to add a new chemical to the product, to enhance the effectiveness of detergent. 5. Marketing audit We are going to Target Sec A1-E3. For each segment we have different SKU of Ariel & Tide. Changes could come from marketing research function. For example, results of a customer satisfaction study may signal to modify the new product that is being offered 2 | P a g e Market Plan for P&G Detergents Marketing Changes and contingency plans ? If a new brand is launched in competition with Tide then promotional expenditure for Tide has to be increased to maintain the market share. This may involve Price-offs and

Bonus packs which will increase expenditure ? If a competitor launches new product or reacts aggressively to P&G? s planned new product in low-price segment by reducing price then free samples would be given in order to encourage trial Review of Company website The look of the site is quit basic and pedestrian.

There is no use of graphics, animation and sound. Very limited information is present on the website about the company and its different brands. Few Characteristics of the Site Look and feel – readability Ease of use Site map Return to Home Page from any page Use of attractors Use of valuable graphics Use of valuable animation Use of valuable sound Level of interaction Available in multiple languages Accessibility for the disabled Automatic email response Personal email response The company stock price performance Improvements that can be done: ?

Use of web 2. 0 to develop a Rich Internet Application ? Popular advertisements can be streamed though site and can be share by the visitors on their various social networking site profiles ? Information about latest offers, competitions, freebies and new products should be present on site ? Strong social media presence with links to Facebook, twitter etc. profiles on the site. ? Site should be regularly updated with latest news casts on it Poor Yes No Yes No No No No Low No No No No No 23 | P a g e Market Plan for P&G Detergents There should be better feedback and complain soliciting forum on the site for better consumer relationship ? It should give the user flexibility to choose his regional language and text and advertisements should be displayed accordingly 24 | P a g e Market Plan for

P&G Detergents References Indiastat. com EBISCO P&G. com P&G-India. com
Principles of Marketing Wikipedia. com http://www. dnaindia.
com/money/report_procter-and-gamble-gains-at-costof-
profitability_1567479) ? Economics. com ? DNA ? ? ? ? ? ? 25 | P a g e