

Garnier fructis – innovation

[Business](#), [Company](#)



Introduction:

L'Oreal, the French cosmetic giant has become one of the leading players in the salon products sector in India. It marks its presence with a portfolio of 15 brands that grew over the p of nearly two decades in the Indian market, having an annual growth rate of 30 percent with a market share of 10 percent in the urban area. These different brands were launched in order to cover various product categories. The mass consumer brands L'Oreal Paris, Garnier and Maybelline New York; luxury brands Yves Saint Laurent, Kiehl's, Ralph Lauren, Giorgio Armani, Diesel and Lancome; professional brands L'Oreal Professionnel, Matrix, Kerastase and Keraskin Esthetics and pharmacy brands Vichy and La Roche-Posay. " (premiumbeautynews. com, 2012). With almost 750, 000 points of sale in both the traditional network as well as in the modern supermarket network, the brand Garnier has successfully become the leading multi-category beauty brand in India.

Launched in 1991, this global brand understood the dynamics of the Indian market and was able to craft a special place for itself. Even though Garnier is positioned as a premium, nature-based and innovative brand, it is priced reasonably targeting at both, the upper and middle socio-economic classes. Worldwide, L'Oreal is famous for its product innovation and this trait is strongly portrayed in Garnier through its continuous new product launches. This also creates excitement amongst the consumers to try out the new innovative personal care products, leading to brandloyalty.

Garnier has two sub-brands - Garnier Fructis and Garnier Ultra Doux. Garnier Fructis almost immediately created a very strong bond with the consumers

since it was positioned as a fruit based brand. The Indian consumer is happier using natural based products compared to the chemical based ones. Under this brand, a revolutionary product was launched in the year 2010; Garnier Fructis Oil+Shampoo that took the hair care market by storm. In this report, L'Oreal's innovation and new product development models are explained in respect to their Garnier Fructis Oil+Shampoo product.

Innovation Model:

According to L'Oreal India's chief operating officer, Mr. Dinesh Dayal, for this kind of success, the most essential factor is to yield the right kind of innovation, which was achieved through a blend of aggressive market research, intuition and the power of their global R&D. Along with the three main drivers of innovation for L'Oreal, i. e. active ingredients, formulation and evaluation; research has always been the main crux for the company's growth. When it comes to creating cosmetic products, science is the main driver of innovation.

An advanced research for discovering new active ingredients is conducted, where scientific knowledge about skin and hair around the world is gathered, after which formulation systems are developed and adapted by various brands including Garnier around the world. For the Fructis Oil+Shampoo launch in the Indian market, the product is formulated using three oils as its key active ingredients, i. e. Olive oil for deep nourishment of the roots, Avocado oil for nourishment of the hair fiber and making it supple and Shea oil for softening the surface.

Once the formulation has been complete, the transition from the molecule to finished product is done after demonstrating the products' safety and

whether it is scientifically effective. But rather than focusing entirely on scientific research, L'Oreal believes in research that listens to consumers. They aim to nurture innovation through a constant dialog between science and marketing. Thus, in order to discover and disseminate beauty habits of international consumers, the "International Department of Studies and Consumer Insights" was created.

Garnier realized that in India, in order to nourish their hair, women extensively believed in the beauty ritual of oiling their hair, followed by a scalp massage and shampoo. The current fast-paced generation seemed to be moving away from this ritual as it is time-consuming. This became a source of inspiration for the 2-in-1 formula of hair oil and shampoo by Garnier. This is what India's head of operations calls as "Indo-vation" - Innovation specifically for the Indian market. In order to understand the global consumers of L'Oreal, they strengthened their global presence in six regions; Europe, United States, Japan, China, Brazil and India.

This enabled L'Oreal to come closer to their global market, as well as to gain the wealth of specific scientific and marketing knowledge of each region. In India, L'Oreal has its product development center in Mumbai from where it studies the specifics of hair and skin types of the Indian consumers, as well as their expectations and beauty routines for all its brands including Garnier, and an advanced research center in Bangalore where it screens its active ingredients to address scalp concerns, hair breakage and pigmentation disorders.

According to Jean Paul Agon (Chairman, L'Oreal Paris), opening a research and innovation center in Mumbai was in line with the company's

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universalization strategy in order to adapt to the cultural specific needs for all its global brands. Further, L'Oreal abides by the principles of sustainable and responsible innovation on a daily basis. Product safety is an absolute priority for this cosmetic giant, and has contributed massively to the study of toxicology due to its constant scientific commitment. The team at the Ultramodern Global Center is responsible for the beneficial and undesirable effects of all the ingredients.

Unlike Pantene, Head & Shoulders and Herbal Essence shampoos available in the Indian market, Garnier Fructis Oil+Shampoo does not use harmful chemicals such as Methylchloroisothiazolinone, a preservative causing harmful effects on the skin as well as the immune system and Ammonium Chloride which is harmful when swallowed and causes serious eye irritation. Instead, this product uses plant extracts such as Pyrus Malus and Peel extracts. Also, L'Oreal makes sure that its products have minimum impact on the environment throughout their entire life cycle.

For this purpose, all the raw materials are under constant monitoring for environmental indicators. L'Oreal stopped animal testing in 1989 and plans to terminate human biopsy for testing clinical effectiveness in the near future. New Product Development Model: L'Oreal operates in a very turbulent and volatile fashion industry, making the product life cycles very short. But according to Crawford (1988), an early entry of new product may result in the development of a new market and long term market dominance. Garnier Fructis Oil+Shampoo is one such product.

Based on Ansoff's (1965, 1968) directional policy matrix, L'Oreal implemented the product development strategy, catering to the Indian

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market with a new product, i. e. 2 in 1 oil and shampoo. New product development enables L'Oreal to earn increased value for the company through a superior market share. The company believes in creating innovative products which are not only differentiated but also satisfy different segments in the international market. Before launching a new product, the company has to ensure that the product is based on the consumer's preferences and is differentiated from any other product in terms of its formula/innovation.

Once such an idea is generated by market research, R&D takes over. Once completing the R&D process, the market reality is observed and different ways of marketing the product are employed. A company's image would be shattered if there is any negligence in this context, resulting to product failures upon launch. Therefore the complex process of new product development has a direct impact on L'Oreal's prestige. L'Oreal invests heavily while launching any new product and be certain about its effectiveness, practicality and marketability of these products.

Thus, before commercialization of Garnier Fructis Oil+Shampoo in the Indian market, an intensive market research was done in order to identify the beauty ritual of oiling the hair prior to shampooing and how through R&D, this finding was converted into an effective molecular formula, later supported by a screening test and eventually passing through the market testing stage. Conclusion: According to Wang and Von Tunzelmann (1997), rather than R&D, marketing perceives a more critical role in the positioning of a new product in any market segment.

In context of the Garnier Fructis Oil+Shampoo launch, it is a product that was never thought of earlier by the Indian consumers, thus making it difficult to believe in. Fundamentally, shampoo is used against oil and these two products are not supposed to work together. Since the time factor prevents the consumers from using both oil and shampoo at the same time, Garnier has tried integrating the north-pole and the south-pole. They are trying to combine two attributes having a negative relationship and trying to convince the consumers that there is a scope of redefining this relationship and making them work positively together.

Once this strategy can get established, it may work as a powerful differentiator. Garnier now needs to focus on developing a story that is credible enough for the consumers to believe in. Regardless of whether the innovations by Garnier would fail or succeed in the market, they have managed to gain equity through its innovative products, heavy investment in brand promotion, strong distribution reach and premium positioning along with a smart pricing strategy, creating a special place in the Indian personal care industry.

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