

Sanitary napkins situational analysis

Business



Introduction Over the years, women have used different forms of feminine protection during their menstrual period such as menstrual aprons, knitted pads, and even rags.

In the Philippines, women used a cotton cloth called the pasadora.

Eventually, the disposable pad was born, the first ones appearing to have been first commercially available from around 1895 through Curads and Hartmann's.

Disposable pads started with nurses using their wood pulp bandages to catch their menstrual flow, creating a pad that was made from easily obtainable materials and inexpensive enough to throw away after use. Kimberly-Clark's Kotex appears to be the first of the early disposable pads to take off in the market. Several of the first disposable pad manufacturers were also manufacturers of bandages, which could give an indication of what these products were like—eventually becoming the sanitary napkin that we know of today.

Whereas before sanitary napkins were seen as expensive, highly exclusive products and menstruation a subject of taboo, today the feminine protection market is saturated by many different brands, and usage of the sanitary napkin and panty liners has become so commonplace, with brands struggling to maintain some form of differentiation for their products by continuously coming up with new features. In the Philippines, the feminine protection market as we know it had its beginnings in the late 50s with the introduction of the sanitary napkin in the country. Current trends based on Euromonitor International findings are as follows: ?

Sanitary protection value accelerates to 5% with faster volume turnover ? More technological brands balanced by cheaper products spurring consumption ? Ultra-thin towels clocks strongest increase of over 7% in value terms ? Slightly stronger price increase seen in 2005 ? Premium brands lose out to budget-friendly products With the majority of Filipinas still associating thicker towels with being more absorbent, as well as the price sensitivity which leads to preference towards products that can last longer, night towels gained positive responses towards the end of the review period.

Still a rather new concept in the review period, day towels continued to dominate sales, but the popularity of night towels increased with consumers being lured by the claim on protection for longer hours as well as extra absorbance. Despite the increasing popularity of cheaper brands towards the end of the review period, in 2005, even these brands recorded price increases.

Coupled with increasing product innovation of more expensive brands, this resulted in higher price increases compared to in 2004.

Higher price increases were necessitated by the higher cost of raw materials, as well as the mounting need for advertising and promotion in hopes of securing and maintaining the volume following of any brand, in the midst of rising competition. Whereas historic trends showed a steady decline in the popularity of chemists/drugstores in sanitary protection sales, towards 2005, this type of outlet bounced back, owing to the rising number of Watsons Personal Care branches in SM malls nationwide.

Supermarkets continue to lose steam as shoppers find it easier to drop by Watsons for impulse purchases, and the increasing grocery aisles within chemists/drugstores offer an increasing variety of products as well. 1

Industry Review: Size, Growth Trend Overall Size The Philippine Total Feminine Protection market is only flat at 3% comparing JanJun accumulated pieces (pads) of 2005 vs 2006.

In 2005, feminine protection is at 1.06 bio pcs at Php 543 mio of which sanitary napkin segment contributes 70% of total volume, while panty liners is at 30%.

Johnson ; Johnson (J; J) continues to take far lead of 41.3% for Modess in the total sanitary napkin market and 14.5% for Carefree in the panty liner segment.

Growth of Industry According to official statistics, trade press, company research, store checks, trade interviews, and Euromonitor International, the following industry growth trends can be observed about the Feminine Protection market in the Philippines: ? Towards 2005, more technological innovations allowed manufacturers to offer products that are more advanced and therefore require less volume usage.

This pulled down volume growth to an extent while resulting in faster value movement. A portion of Filipinas of menstrual age have growing appreciation for these products, since they offer a certain value-added appeal, luring some consumers despite its higher price. ? However, the demand for these innovative products continues to be challenged by the majority of the Philippine population being increasingly budget conscious going into 2005.

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As such, the rising popularity of simpler yet cheaper brands stole away from these more expensive brands, boosting volume growth up on the whole, resulting in an overall stronger volume and value growth for sanitary protection in 2005.

? Standard towels with wings is tied with ultra-thin towels with wings in terms of posting best volume growth of all sanitary protection in 2005 thanks to wings' perceived versatility efficacy on the whole. More Filipinas are switching from non-wing to wing towels, and there are also a portion of new consumers going straight for the wing variants from the get go.

An overflow of successful awareness campaigns on the usage of wings even before the review period is to thank for Filipinas' increasingly positive perception on wings. ? On the whole, ultra-thin towels also fared better than its standard counterparts in both volume and value growth terms, mainly due to its still small volume base, at below a tenth of overall towels which allows it more room for hefty improvement. Filipinas still opt for standard towels in general because of the scepticism on the efficacy of ultra-thin towels compared to the thicker ones, as well as the higher pricing of ultra-thin.