

# [Tupperware launch cosmetics product](https://assignbuster.com/tupperware-launch-cosmetics-product/)

### Tupperware launch cosmetics product

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### EXECUTIVE SUMMARY

The main objective of this report is that tupperware has to launch a comsmetic product which is Redwood nail enamel, to understand consumer loyalty and what is happening in the market to maintain their position in the market. In this report we will find consumer preference, for the company of our team choice is Redwood nail enamel product from Tupperware. We will do the situation analysis which includes industry analysis, company analysis and competitor analysis. In industry analysis our team came to know that cosmetic market is growing at 13% per annum.

This segment have share of 25. 4% . Major players in this sector are Modi Revlon, L’Oreal and Maybelline. Revlon is in second position. Then we will do SWOT analysis. After SWOT analysis we proceed to segmentation and positioning of the product, company targeted younger age people to sell their products. After segmentation and positioning climate conditions for the product Redwood nail enamel and how it affects sales of the product. Further we will do market mix for the Redwood nail enamel, market mix analysis will help to know the market penetration of the product. After doing all this analysis we will create marketing plan for net one year for Redwood nail enamel.

### COMPANY ANALYSIS

Tupperwareis the name of a home products line that includes preparation, storage, and serving products for the kitchen and home, which were first introduced to the public in 1946.

Tupperware develops, manufactures, and internationally distributes its products by its parent company. Tupper Brand Corporationand it is marketed by means of direct sales through an independent sales force of approximately 1. 9 million consultants. Tupperware is a wholly ownedsubsidiaryof Tupperware Brands Corporation.

In today’s common parlance, the brand name “ Tupperware” has become aimportant trademarkfor any plastic storage container for the kitchen, not only Tupperware branded products. Similar usages are “ Kleenex” and “ Band-aid” in the United States and Australia, or “ Hoover” and “ Biro” in the UK

Tupperware was developed in 1946 byEarl Silas Tupper(1907-1983) in theUSA. He developed plastic containers used in households to contain food and keep it airtight. The formerly patented “ burping seal” is a famous aspect of Tupperware, which distinguished it from competitors.

Tupperware pioneered thedirect marketingstrategy made famous by theTupperware party. Brownie Wise(1913-1992), a former sales representative of Stanley Home Products, developed the strategy. During the early 1950s, Tupperware’s sales and popularity exploded, thanks in large part to Wise’s influence among women who sold Tupperware, and some of the famous “ jubilees” celebrating the success of Tupperware ladies at lavish and outlandishly themed parties. Tupperware was known-at a time when women came back from working duringWorld War IIonly to be told to “ go back to the kitchen” — as a method of empowering women, and giving them a toehold in the post-war business world. The tradition of Tupperware’s “ Jubilee” style events continues to this day, with rallies being held in major cities to recognize and reward top-selling and top-recruiting individuals, teams, and organizations.

In 1958, Earl Tupper fired Brownie Wise over general difference of opinion in the Tupperware business operation. It is believed that Tupper objected to the expenses incurred by the jubilee and other similar celebrations of Tupperware.

Tupperware spread to Europe in 1960 when Mila Pond hosted a Tupperware party inWeybridge, England, and subsequently around the world. In 2003, Tupperware closed down operations in the UK, citing customer dissatisfaction with their direct sales model as an issue, and relaunched after a restructuring in 2005. Rexallbought Tupperware in 1958. Rexall sold its namesake drugstores in 1977, and renamed itself Dart Industries. Dart merged withKraftcoto form Dart & Kraft. The company demerged, with the former Dart assets named Premark International. Tupperware Brandswas spun off from Premark in 1996; Premark was acquired byIllinois Tool Worksthree years later.

Tupperware is now sold in almost 100 countries, after peaking at more than a hundred after 1996. The top eleven consumers of Tupperware are:

1. Germany
2. USA
3. France
4. Mexico
5. Russia
6. Australia/New Zealand
7. Italy
8. Austria
9. South Africa
10. Japan
11. India

### Tupperware parties

Tupperware is still sold mostly through aparty plan, with rewards for hosts. A Tupperware party is run by a Tupperware consultant for a host who invites friends and neighbors into their home to see the product line. Tupperware hosts are rewarded with free products based on the level of sales made at their party. Parties also take place in workplaces, schools, and other community groups.

In most countries, Tupperware’s sales force is organized in a tiered structure with consultants at the bottom, managers and star managers over them, and next various levels of directors, Legacy Executive Directors at the top level. In recent years, Tupperware has done away with distributorships in the U. S. This has allowed Tupperware more flexibility, and more generous commission and rewards for their consultants.

In recent years, Tupperware in North America has moved to a new business model which includes more emphasis on direct marketing channels and eliminated its dependency on authorized distributorships. This transition included such strategies as selling throughTargetstores in the US, and Superstores in Canada, with disappointing results. Tupperware states this hurt direct sales. In countries with a strong focus on marketing through parties (such asGermanyandAustralia/New Zealand), Tupperware’s market share and profitability continue to grow.

In many countries, Tupperware products come with a lifetime guarantee. In India, there are some restrictions on the lifetime guarantee clause. In the UK/Ireland the guarantee is 10 years.[8]The company is best known for its plastic bowls and storage containers, however in recent years has branched out into stainless steel cookware, fine cutlery, chef’s knives and other kitchen gadgets. After experiencing a slump in sales and public image in the mid-1990s, the company created several new product lines to attract a younger market.

In some countries including Belgium, Australia and the US, Tupperware market their parties and career opportunities through mall kiosks from time to time.

In China, Tupperware products are sold through franchised “ entrepreneurial shopfronts”, of which there were 1900 in 2005, due to laws enacted in 1998 aimed at pyramid selling. The Chinese characters (???) are used as the brand name, and translate as “ hundred benefit”.

### Product lines

Tupperware’s product ranges are often marketed under different names in different markets, and the product ranges and colors themselves differ between markets. Some of Tupperware’s most popular lines include:

* Modular Mates(US, AU), Space Savers(UK, now discontinued), Kompakt-System(DE): These are oval and rectangular shaped containers that stack in a modular fashion to save pantry space and preserve food. Modular Mates have air-tight seals intended to keep food at optimum freshness for long periods of time.
* Vent ‘ N Serve(US), Rock ‘ N Serve(AU), CrystalPlus(UK): These are containers for re-heating food in microwaves, and are advertised as freezer safe, stackable and dishwasher safe.
* FridgeSmart(US, UK, AU), PrimaKlima(DE): With air control vents, FridgeSmart containers are modular containers intended for refrigerated fruits and vegetables. FridgeSmarts which have air control vents intended to allow different levels of airflow around different types of fruits and vegetables, as well as a corrugated bottom to allow them to store securely on a refrigerator shelf.
* UltraPro(AU), UltraPlus(DE): plastic casseroles advertised as being safe when used in a microwave or a conventional oven, with heat resistant properties.
* Eleganzia(UK, DE), Illusions(AU): A “ glasslike” range of serving dishes
* FlatOut!(US), MiniMax(UK, DE), Go Flex!(AU): Bowls that flatten for storage, and can be expanded when needed
* Stuffables(US), Bungee(DE): refrigerator storage with flexible lids for overfilling

### COMPETITOR ANALYSIS

Competitors of Redwood nail enamel like lakhme, Revlon and Maybelline are competing at the upper-mass (premium) end cosmetics spectrum. Ranging of competitors from many multinational companies such as Revlon Modi slugging out to chamber, Maybelline & Avon with the foremost part of the international brand sector as well as L’Oreal. Revlon holds the 80% of market share in the Premium range.

Estimated color cosmetics at Rs. 340 crores currently. Lakme leads with sales of Rs 100 crores in market and Revlon sales of Rs 60 Crores of that. At first Companies like Revlon, Maybelline, Yardley, Garnier and L’Oreal entered in the Market and they have cashed on their international brand.

Lakme and L’Oreal India companies are losing their position on the Rs 300 crores urban Indian color cosmetics market (lipsticks and nail enamel) to the market leader Modi Revlon. According to survey data for urban markets, L’Oreal company value market share in the Rs 200 crores market segment has declined gradually to 5. 9% in April 05 from 13% in April 03. L’Oreal markets its color cosmetics under Maybelline and L’Oreal brands in India.

Modi Revlon is the only company which recorded a gradual increase in market share from 28% to 35. 15% between the period April 03 and April 05. The share of smaller local brands such as Blue Heavens, Lissome, and others were till a year ago eating into the market share of well known brands by their low costing has shrunk by 9. 4%. The category’s total share has decreased to 30% in April 05 from 43% in April 03. The most affected company in the market is L’Oreal whose market share as fallen to 0. 17% in April 05 from 1. 4% in April 2003. , 05)

### STRENGTHS OF COMPETITORS

* Revlon have connected with glamour, style and elegance.
* Revlon have the wonderful models like Cindy Crawford and Claudia Schiffer.
* Revlon in India has successfully influence its international equity in promoting the brand.
* Revlon have 15000 counters across India.

### WEAKNESS

Position of Revlon in India is in dissimilarity to the more mass market available point, because their products are available only at top distribution point and not available at every kirana and general merchandise store.

### SITUATION ANALYSIS

### INDUSTRY ANALYSIS

Our country India, with a people of more than billion, is a country of dissimilarity. Our country’s urban or metropolitan populace is the major source for demand of several beauty products. The more cosmetic utilization by Indian women brought more competitors to Indian beauty sector.

Despite market crash, India remains one of the rapidly developing cosmetic markets around the world, growing rate at 13% per year and worth at $6. 3 billion. As the middle-class customer base, the market is touching closely four times sooner than the $52 billion worth of established cosmetic markets and two times as fast as the $270 billion worldwide market, according to new report by marketing research organization Kline & Co. Presently, the market is bringing in cosmetics in addition to toiletries and transitional raw resources value of $120 million. The beautification market currently having $60 million of the total market, at the same time as skin care market having around $180 million..

The Indian beautification sector has witnessed fast development in the recent two years, increasing at a Compound Annual Growth Rate(CAGR) of about 7. 5% between 2006 to 2008, with recovering buying ability and growing fashion realization, the market is expected to continue the growth drive (with addition of subsidiary slowdown due to financial slowdown) during our prediction era (2009-2012). It is planned to develop at a CAGR of about 7% during the estimated era, says “ Indian Cosmetic Sector Analysis (2009-2012)”, a new research details by RNCOS, In future Indian cosmetic market segments are expected to record CAGR of just about 13% and 20% correspondingly till 2012.

### INDIA COSMETIC SECTOR ANALYSIS

According to growth rate, the market provides wide opportunities to local and global players. Even with two times growth rate, the market penetration of beautification products and toiletries products in our country is low. This low market penetration for beautification and personal care commodities in India gives an opportunity for additional important growth down the road in India of 1. 2 billion populations.

### REDWOOD NAIL ENAMEL A TUPPERWARE PRODUCT

### SWOT ANALYSIS

### STRENGTHS

### Good brand portfolio

Tupperware has leading sharing position, which is strong and well differentiated brand. The portfolio includes both global and local specific relevance, well designed according to the needs of different environment.

### Good base of the enterprise

As we know that Redwood nail enamel is a brand of Tupperware and it has good financial position.

### High innovation style

Redwood nail enamel has new innovation style in its product.

### Distribution channel

Tupperware have integrated supply chain and manufacturing units are well spread out. They have wide reached high quality and ability to influence scale for their distribution structure. Specifically in Indian market their brand image got build because the products are for everybody and reachable to everybody.

### Good promotional activities

Tupperware conducting fashion events and their advertisement strategy is good, so it will bring awareness.

### Good quality of product

Tupperware Redwood nail enamel known as international brand and company offers good quality to their customers.

### Delightful packaging

Consumer enjoys the mini bottle nail enamel as they can use frequently and consumed through few usage, so they will buy the product very often which leads to choose from vast color range. According to quality and quantity it is value for money product

### WEAKNESS

Targeted only middle class and low class people

Company targeted only middle class and lower class people to sell their products and segmented only in metro politic cities and towns.

### OPPORTUNITIES

### Modern trade

More upscale beauty care products are emerging in modern trade effectively, consumer want quality, performance and new level of innovation.

Increasing number of working women

Now a day there is gradual increase in working women so there is a big opportunity to increase their sales and women plays vital role in society.

### THREATS

Local competitors selling products at cheaper rate

In the market local players are giving cheaper products to the consumers, so consumer will prefer to cheaper products.

Because of globalization increasing number of competitor

Due to globalization competitors are entering to our cosmetic market so definitely it will be the major threat. Modi Revlon launches street wear product to target to compete with Tupperware Redwood .

### SEGMENTATION FOR REDWOOD NAIL ENAMEL

Beautification needs are not only women in their adult age but teenager’s girl too have it. The brand as known who will take care of you and your beauty needs, which can be evident from its catch phrases “ on top of the world” and another is “ source of radiant beauty”

### POSITIONING STATEMENT

Tupperware approached with Redwood nail enamel in 2009. It promoted as “ Young girl who breaks the rules and loves to have fun”. This positioning statement demonstrated young girls who anticipated the image of trying to be unusual and “ cool”.

### SEGMENTATION

### Geographic

Area: Metropolitan cities and town

Company has targeted metropolitan cities and town because of population, consumer knowledge about the product is considerable and towns are upcoming business places.

### Behavioral

Occasions: Going out regularly (schools, college and parties)

User status: Regular usage

Attitude towards the product: necessary part of everyday accessories.

Benefits: develops beauty, exceptional colors, good quality ingredients, atmosphere friendly packaging.

### Demographics

Age: 15 to 24

They targeted age 15 to 24 and product launched to cover teenagers.

* Education: Students or graduates.
* Students and graduates have more knowledge about the product.
* Sex: female.
* Product was launched only for female.
* Occupation: students and working women
* Company has targeted students and working women, because basically Redwood was to cover students and working women.
* Life cycle: young, single and married.
* When it comes to Life Cycle Stage Company targeted to young, single and married, because they have more influence to buy the products.
* Social class: Middle and lower class people
* People have enough money to afford the product.

### PEST ANALYSIS

* P for political factors
* E for economic factors
* S for socioculture factors
* T for Technological factors

Pest analysis is to summaries the legal and external environment for the business. It should be done in consideration of influence and responses to the business. These are the pest analysis of Redwood nail enamel.

### POLITICAL FACTORS

Indian cosmetic industries is least affected when compare to other developed economy and Indian cosmetic industry developed by 7. 5%, which attributed to our policy frame work with respect to capital and liquidity. Redwood have built strong links with trade based on mutuality in support of Indian government.

### ECONOMICAL

Indian economy registered a growth of more than 9 % for last three years and it maintained robust growth rate as compare to other countries which are developed and developing, so Indian cosmetic industry is directly related growth of economy, which is highly support cosmetic industry.

### SOCIAL

Tupperware have loyalty factor as compared to counter part in other countries. They are strong in organizing social and promotion events and other fashion events, which build huge reputation among the people.

### TECHNOLOGY

Technology advancement changes the face of traditional Indian cosmetic market. It is giving faster and secured service, strong consumer understanding and technology of company has been delivered world class product. Company also introducing new innovating technology due to advancement in technology, Hence technologies continue to evolve and it will meet consumer expectations and habitats.

### MARKET MIX

### PRODUCT

### PRODUCT CATEGORY

Core benefit: Core benefit of Tupperware Redwood nail enamel is easy to apply on nail, to look good and it should be highly shined.

Basic product: Easy to remove from nails and it should give good look to nails.

Expected product: Nail enamel should dry within particular time of period.

Augmented product: By introducing some kind of fragrance in nail enamel and making nail enamel very quickly dry, when compared with competitor’s product, definitely it will exceed customer expectations.

Potential product: Introducing something in Redwood nail enamel like, which changing color according to environment changes and to protect nails and high shine finish at all time.

### PRODUCT CLASSIFICATIONS

According to durability and tangibility products, Redwood nail enamel can be classify into nondurable goods, because women will purchase nail enamel frequently and consumed through few uses.

When we classify according to consumer – good classification, Redwood nail enamel comes under convenience goods, because people buy nail enamel with minimum effort. And we can say Redwood nail enamel is staple goods, because consumer buys nail enamel in regular basis.

### PRODUCT DIFFERENTIATIONS OF REDWOOD NAIL ENAMEL

Form: by offering the Redwood nail enamel in various size and shape to attract customers and giving more choices for customer. Give products in more color and various shining.

Features: we can differentiate the product through features of the product by giving more features to customers like fragrance, rapid drying and shining at all time.

Performance and quality: by lasts up to two to three weeks and enamel bonds with nails naturally.

### PRODUCT -LINE LENGTH

Upper market stretch: Redwood targeted middle class and lower class consumers to sell the products. Company can come up with some others nail enamel products to cover upper class of market.

### SETTING THE PRICE

Selecting the price: Company’s pricing strategy is to survive in the market; company includes fixed costs and variable costs while setting the price.

Promotional pricing: Redwood nail Enamel Company can give price at special event pricing, because Redwood nail enamel targeted students to sell their products, so they can give at discounted price during the month June to August.

Responding to competitor’s pricing: Redwood nail enamel’s major competitor is Revlon, if the competitor (Revlon) changes the price means, company have to analyze the market situation and why competitor changed the price and then change the price according to competitor’s price to sell the products.

Differentiated price: Redwood nail Enamel Company can offer time pricing and image pricing. They can set the price according to quality and quantity of the product.

### PROMOTION

### ADVERTISING AND SALES PROMOTION

### Advertising

Tupperware uses various medium to sell the products.. Mediums are television, magazines, events and internet. Tupperware organizes fashion event in that event, company advertise their products. In television media, Tupperware advertise as commercial for Tupperware in that, company advertises their products. Tupperware also releases magazines there also they are promoting their products.

Tupperware organizes an event fashion week in those event film stars and models are participating, from that company is easily advertise their products.

### Internet as medium

Company has its own website to advertise their products.

Website: www. my2tupperware. com

### Sales promotion

Tupperware Redwood offers sales promotion to increase the sales for particular time of period. Company offers rebates and discounts on specific products which products are in low sales.

### Brand ambassadors

Tupperware have bollywood Actress as a brand ambassadors like Katrina Kaif and Raima Sen.(Brand ambassador, 2009)(Brand ambassadors)

### PLACE

There is a significant change in market distributional channel of cosmetic products.

Distribution places are

* Hyper markets
* Super markets
* Departmental stores

These stores are opening their shops in smaller towns and cities and these shops offering extensive range of products and frequent promotional offers.

Other distribution places are

* Drug stores
* Food stores
* Cosmetic discounters
* Ware house clubs.
* Beauty salons

Tupperware distribution merged with HUL. HUL having 3000 distributors around the country and Tupper have 1000 distributors. This is the strongest distribution channel among all Indian cosmetic companies.

### Distributional channel

### MARKETING PLAN FOR NEXT ONE YEAR

Since, industry grows at 13% per annum, and there is considerable income growth of middle class people is an opportunity to develop the business. Hence beautification is fast growing segment in the market, more number of women becoming awake of looking better through the use of beautification products. This low market penetration for beautification and personal care commodities in India offers a chance for more considerable increase, in this country of 1. 2 billion people.

Company targeted only younger age people to sell their products, and targeted only middle class and lower class people. Tupperware can introduce new products to cover upper end of the market. Company already built a brand image among middle class. So it will help them to capture the upper class market very soon. Since the customers are able to pay for better products which makes them happy and looks better. So Redwood can concentrate to initiate product lines on premium range. Tupperware competitor Revlon launched street wear to compete with Redwood, so company can consider to more depth in product range and to influence new innovation technology.

Now company targeting only 15 to 24 age people and they can spread their segmentation level from age 10 to 24. They can advertise to cover school students. Company should be very sensitivity about price of the product; they should not increase the price of the product because low price is the major strength for Redwood nail enamel. Redwood have good distribution channel in metro politic cities and towns, beautification products has less penetration in rural area so Tupperware can improve their distribution channel in rural market.

Company can offer combo set of products to the consumers and if they give nail enamel remover along with the product it will help them to increase the sales. Company has to advertise to create more awareness about the product.

### CONCLUSION

Redwood the product of Tupperware is cosmetic range in the Indian market designed to enhance the beauty of the young and teenage consumers. As such it is created clear position in the market, this shows that Redwood clearly understand its consumer and has delivered differentiated product range to meet consumer needs and wants. To introduce the new range to market, the Redwood business put well plan marketing mix, with scope of changing according to consumer behavior and market scenario. The marketing mix is the balanced combination 4 P’s. Redwood has lot scope to change and transform their product to better result, to face the challenge and reverse this trend, which they have substantially their brand, volume growth by being the known and reliable brand among the consumer. Redwood is the young product to the right people in the right way. As a team we created marketing plan for next one year, these are the possible way to grow the business in Indian market and to build brand name among the consumer.

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