

Nirma: a journey towards the milestone

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“ Washing powder Nirma, Washing powder Nirma” we all have hymned these jingle lines at least once for a while irrespective of our age. These lines are from the most famous 80’s advertisement of washing powder of NIRMA brand which was and still a famous brand in the product line of soaps and washing powder. Though we all have seen these advertisements but the story behind it we hardly know. NIRMA is the fruit of a tree whose sapling was implanted way back in the year 1969 by Karsanbhai Patel.

Karsanbhai Patel was born on 13th April, 1944 in a remote area of Gujarat Mehsana. Being a son of farmer he did his early education from a local school of Mehsana and later he completed his graduation in Bsc. in chemistry at the age of 21 and started working in the New cotton mills in Ahemdabad as a lab technician. Later he started working with the Government of Gujarat in the geology and mining department. At the age of 24 when other person of his age was thinking about a job and settle down in their lives, he was thinking something big sitting in the backyard of his home. Continuing his job, he also started making phosphate free washing powder with soda ash and other components using his bare hands and bucket at the backyard of his house. Due to lack of resources he used to pack the mixture in the polythene bags and sold those detergent packets door to door while cycling to work. His environment friendly formula gradually help the product to become a hit with in the consumers and by this a journey towards the milestone. He perfectly frames the saying of Victor Hugo “ There is no power on the earth that can stop an idea whose time has come”. In a short span of time he was able to capture a remarkable size of domestic market. His astonishing low profile marketing strategy with low cost and high quality

product shattered all the marketing theories of well established companies of that era and wrote new rules of the game. After three years of starting the Nirma he left his job and laid a Nirma plant near Ahemdabad and established the brand in Gujarat and Maharashtra.

It was the time period of 60's and 70's when the markets were flourishing with premium brands of domestic detergent market, mainly dominated by the MNCs and only few players were playing in the market. The cheapest detergent in the market was of rupees 13 per kg which was unreachable for middle and low class population segment. This pain point of the market brands became an advantage for his product which is priced at an amazing price of rupees 3 per kg, which is almost one third of the other cheap brands of that time. The affordable and high quality factor of the product makes it a first choice of the consumers specially for the Indian housewives as they are getting value for their money and as well as it is changing their habit of washing clothes.

Soon Nirma went ahead of Surf (a brand by Hindustan Lever) and established themselves at the position which was never relinquished when in the decade of 1980s Nirma successfully captures the throne from Hindustan Lever (Hindustan Unilever now) and get labeled as “ Marketing Miracle” of that era. They marked themselves as the largest detergent and second largest toilet company in India by capturing 35% and nearly 20% of market share in detergent and toilet soap segment respectively. Nirma moved ahead with other FMCG products for middle and lower class sections and premium bathing products for premium class of the population segment. Nirma later

on also entered in the shampoo, toothpaste and salt segment but Nirma detergent was still “ sabki pasand”. Though the Hindustan Lever tries to break the juggernaut of Nirma by the products like wheel in detergent segment and breeze in beauty soap segment but they were not able to break the spell of value pricing.

In 1993 Nirma became a Public Limited Company and got listed on stock exchange in 1994. And in 1995 Nirma entered in the education sector and established Nirma University of Science and Technology in Ahmedabad and launched other projects under the Nirma Education and Research Foundation like institute of management in 1996, Institute of Diploma Studies in 1997, Institute of pharmacy in 2003, institute of science in 2004 and institute of law in 2007.

In 2004 Nirma did a giant business of 800000 tons of detergent which is a humongous volume sold in the world by any single brand. As the process of detergent making is a labor intensive process and nirma was manufacturing almost 90% of its raw material, Nirma became a company of leading employers by generating employment for 14000 employees. His focus on latest technology and value for money policy he opted the strategy of backward integration and captured the plants installed with latest technology and under this program, in 2000 when after establishing two high-tech plants in Baroda and Bhavnagar it significantly curtailed the cost of raw materials and with the staffing of just 500 employees the plants was successful in staying ahead of Tata Chemical plant which has 10 times more staff and of about twice the capacity!