

Brand performance in toothpaste category marketing essay



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In today's world, the success of any firm depends upon the extent of satisfied and loyal customers. With so much of change around us in terms of technology, innovation, lifestyle etc, it is really a very difficult task to understand the consumer behavior. It is inevitable for Indian companies to acquire the competencies and desired perspective which will enable them to respond and compete successfully with the ever-changing environment.

The study mainly focuses on understanding the Brand performance in the toothpaste category and external factors like demographic, socioeconomic factors and other product attributes etc. The market share is the function of the buying behavior of shoppers. The following study is conducted by me with an objective of analyzing the shopper preference and shopper awareness with regard to the toothpaste category. The data has been collected through primary and secondary sources. Simple random sampling technique was adopted for selecting the respondents. Questionnaire method was used to conduct the survey.

This summary is based on my research work done on toothpaste to know the likings of customers in relation to the maintenance of their oral hygiene, their preference to particular format, and also to understand if they are really brand loyal or not. There are a number of brands in the market, this segment of the consumer product offers a great opportunity to study when it is considered to be an intimate product and consumers prefer a brand which reflects her/his self image. The penetration in the toothpaste market is quite low, around 50%. Industry experts are thankful to growing awareness and strong economic growth, as there is a surge in demand with consumers graduating from 'datum' to toothpaste. This growth has been largely caused by a

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consumer shift in rural markets. (Tooth powder to tooth pastes). In India, oral care market offers huge potential as penetration and per capita consumption of oral care products is very low. Consumers have started upgrading to value-added toothpastes like mouth washes, and teeth whitening products. Some brands use Ingredients such as baking soda, enzymes, vitamins, herbs, calcium, mouthwash, and/or hydrogen peroxide and are marketed as being beneficial. Toothpaste is one of the most dynamic segments of the oral care market. Recurrent product launches and in already existing markets contributes to continuous evolution of the toothpaste market. Whitening toothpastes are driving growth in the dentifrices segment. Per capita toothpaste usage In India is low as compared to other countries which signify about the potential of the market. Research design includes incorporating knowledge from secondary information analysis, qualitative research, and methodology selection and question measurement.

Based on the data analysis and interpretation, it can be concluded that majority of Indian consumers rely only on toothpaste while some use both toothpaste and mouthwash together to cater to their hygiene needs.

COLGATE leads the market with 38% market share and then followed by CLOSE UP which has 16% market share. Colgate Palmolive & HUL together dominates the category with 83% market share between the two of them.

Because of this the small players have marginal shares. Most of the respondents think that the ideal toothpaste will be a blend of all the attributes and not with one or two attributes. We also have found out that though the lifestyle and eating conditions of Indian consumer are changing

very rapidly. They are loyal to their preferred brand when it comes to Toothpaste category.

INTRODUCTION:

This project is basically about the understanding Brand Performance in Toothpaste industry and find consumer response to tooth sensitivity. The main objective of this project is to find the consumers preference in terms of qualities or benefit they seek in special or value added toothpastes. In order to collect the data questionnaire method is used. For the understanding of Brand performance I have used the information on the internet.

2). (a) INDIAN TOOTHPASTE INDUSTRY: Review

Around 500 BC India and China first used toothpaste. Ancient toothpastes were used to treat some of the same concerns that we have today like cleaning teeth and gums, whitening teeth and for freshening breath. The ingredients of ancient toothpastes were however very different such as powder of ox hooves' ashes and burnt egg shells, etc. The people in China used a wide variety of substances in toothpastes over time that has included ginseng, herbal mints and salt.

During 1800's toothpastes have started evolving and stated to get better and better. Earlier versions of 'toothpastes' were usually powders. In 1873 Colgate started the mass production of toothpaste in jars. Colgate introduced its toothpaste in a tube similar to modern-day toothpaste tubes in the 1890s. With the time the better and newer ingredient evolved to make the paste into a smooth paste or emulsion. In the 2nd half of the twentieth century modern toothpastes were developed to help prevent or treat specific

diseases and conditions such as “ Tooth Sensitivity”. Decay preventing toothpaste which contained fluoride was introduced in 1914. The most recent developments in toothpastes include the development of whitening toothpastes, and those containing Triclosan which provides extra protection against cavities, gum disease, plaque, calculus and bad breath.

Typical toothpaste contains fluoride, coloring, flavoring, sweetener, as well as ingredients that make the toothpaste a smooth paste, foam and keep moist. The invention of Toothpaste in tubes has been successful and is used throughout the world.

Indian tooth paste industry is one of the largest consumer markets in India. The Indian toothpaste market has undergone an evolution. It is extremely complex yet segmented on the basis of prices and benefits, and the range of emotions attached with the preferred brand. With over 15-16 brands in the market, this segment of the consumer product offers a tremendous scope to study the concept of brand positioning, especially when tooth paste is considered to be a intimate product and consumer prefers a brand which reflects their personality. The market penetration is quite low in the toothpaste market and it is estimated to be close to 50%. As per Industry experts there is a surge in demand with consumers graduating from ‘ datun’ to toothpaste, thanks to awareness and affluence in rural areas. This growth has largely been characterized by a consumer shift in rural markets from toothpowders to toothpastes. This has ensured that in rural India, more and more people directly move to toothpaste rather than using a datun. The focus of this study is to find the consumer perception regarding preferred brand of toothpaste. Some essential facts about the toothpaste industry are; <https://assignbuster.com/brand-performance-in-toothpaste-category-marketing-essay/>

The oral care sector consists of three main segments -

Toothpaste

Toothpowder &

Toothbrush

Still large majority of people in India use traditional products like neem twigs, salt, ash, tobacco or other herbal ingredients to clean their teeth.

All India per capita consumption of toothpaste is a dismal 82gms.

The dentist to population ratio is a significantly low in the country. This results in poor oral hygiene consciousness and widespread dental diseases.

Less than 15% of the Indian toothpaste users brush twice a day.

The toothpaste market grew at a CAGR of 7-8% between 1995-2000.

Colgate Palmolive and HUL together account for over 85% of the organized toothpaste market.

In toothpowders, Colgate and Dabur are the leading players sharing between them 75% of the market.

Penetration of toothpowder in the urban areas has been declining, as more and more consumers switch to paste.

Brand loyalty is quite high for toothpastes, but is extremely low for toothbrushes.

Due to the poor penetration and very low per capita consumption of oral care products Indian oral care market offers great opportunities. However, rising per capita income and increasing awareness is driving demand of oral care products. Consumers have started switching to value-added toothpastes like gels, mouth washes, and teeth whitening products. Consumers from rural India are upgrading from toothpowders to toothpastes. Recent trend noticed in oral industry recently is that the move towards natural products comprising of herbs, vitamins and minerals. A serious challenge for the industry is the low dentist-population ratio, with just one dentist for 10, 000 people in urban areas and about 25000 people in rural areas. There is an imperative need of more and more dental health practitioners with relevant qualifications and training. Government of India has promoted good oral hygiene habits through dental health camps. These health camps have provided platform to promote and advertise to various companies. Colgate Palmolive and HUL together account for over two-thirds of the organized toothpaste market. The toothpowder market is dominated by Colgate, HUL and Dabur. The effort has been made to analyze the oral care market in India through this report. Now a day's companies have to operate in macro environment forces for their successful tenure. The industry is facing the toughest competition ever with everyone is aspiring to have higher share of mind and share of wallet. Therefore, each one of them is involved in winning customers and outperforming competition. Indian tooth paste industry is one of the largest markets in our country. Each and every manufacturers is eyeing the top spot of the industry in their own ways.

RESEARCH OBJECTIVES AND RESEARCH PROBLEMS

a) RESEARCH OBJECTIVES –

The research was conducted keeping below objectives in mind;

To find out performance of various Brands in Toothpaste Category

To find the consumers' response to varieties of brands those are present in toothpastes and which segments are preferred by them

To find if consumers are brand loyal

To find if consumers supplement their toothpastes with mouthwash

To know about the factors that influence the consumers decision to buy a particular brand of tooth paste.

To find the competitive scenario of Toothpaste's catering to " tooth sensitivity" & know the recent trends.

3. (b) RESEARCH PROBLEM

During the research the main problem was to find out " The attributes consumers look in a brand of toothpaste when she/he buys for herself/himself and to study the scope of toothpaste used for " tooth sensitivity".

Each one has their own preference & taste when it comes to usage of toothpaste and with such a large market size it is very difficult to include all the attributes in the study.

3. (c) RESEARCH DESIGN

Research design is the most important as it holds and completes of all the steps of marketing research. Research design includes incorporating knowledge from secondary information analysis, qualitative research, methodology selection, question measurement & scale selection, questionnaire design and sample design to be used. According to the objective of the marketing research, the research design is descriptive. The aspect of what, who, how, when and where are defined in the research. Descriptive research determines the perception of toothpaste characteristics in the minds of respondents. Here in the respondents were asked questions about their buying behavior, intentions, attitude, lifestyle and awareness towards the toothpaste. I used the method of online questionnaire & personal interview to obtain the information from the respondents. The questionnaire includes questions wherein the respondents have to choose from a set of predetermined answers.

3. (d) RESEARCH INSTRUMENT

The research instrument used by us is Questionnaire method because it is the most feasible way to interact with the sample respondents and get the relevant data for my research project. Mostly all the questions are in structured form as the questions are multiple choice questions or they were close ended. Few open ended questions were there to understand the perception and buying behavior of the consumers. Scaling techniques used by us in the questionnaire includes:-

Dichotomous Questions - Which has only two response alternatives: yes or no?

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Multiple Choice Questions – In which respondents have to choose one answer from many options. These questions give a wide choice to the respondents so that they can give the most accurate and most convincing answer.

3. (e) SAMPLING PLAN

The objective of most marketing research project is to obtain the characteristics or parameters of a population. A sample which is a subgroup of the population selected for the participation in the study affect a lot the findings of the market research. So a researcher should follow the sampling design process in his research which includes certain steps that are as follows-

1. The target population – The target population for the toothpaste research project was defined as follows-

Elements – Students of XLRI PGCBM 20 Batch.

Sampling units – Student & Actual Shoppers of Food Bazaar

Extent – PUNE

2. Sampling frame – Random selection by selecting any XLRI PGCBM 20 student or friends or colleagues available irrespective of age, income, qualification, profession & sex

3. Sampling techniques – Non probability convenience sampling. I used convenience sampling for the sample selection as respondents are selected because they happen to be in the right place at the right time.

4. Sample size - 40

5. Execution of the sampling plan and analysis of data

BRAND PERFORMANCE IN TOOTHPASTE CATEGORY

Toothpaste is one of the most vibrant segments of the oral care market. Continues product launches in existing segments of the market and beginning of new product segments contributes to continuous development of the toothpaste market. Sales enhancement of oral hygiene products in major markets worldwide has largely resulted from growing knowledge of hygiene and product innovation. New advancements have led to the launch of a variety of high-priced, value-added multifunctional products in several oral care categories such as toothpastes and toothbrushes. Whitening toothpastes, along with products offering multiple functional benefits are driving growth in the dental segment. Currently, for major toothpastes, averting tooth decay is not sufficient, which usually guarantee benefits such as fresher breath, healthier gums and whiter teeth. Technological advancements in recent years have altered the toothpaste segment to one that offers additional benefits besides just fighting cavities to customers. This made manufacturers to roll out products with a lot of additional features that were not available previously. Currently the toothpaste market is estimated at Rs. 750 crores out of which the Gel segment has already acquired 1/3rd portion of it. The Gel segment presently valued as Rs. 248crores and is the fastest growing segment even as compared with Cream (white) segment.

Share

Market

Colgate Dental Crm

38%

Close Up

16%

Cibaca Top

4%

Colgate Total

2%

Colgate Gel

5%

Colgate Herbal

3%

Pepsodent

15%

Dabur Red

3%

Others

14%

Source: Company Person

Brand wise Market Share – Source: Company Person

Colgate Palmolive Ltd:

52% Market Share

Flagship brand is the largest selling toothpaste brand

Product

Share

Colgate Dental Crm

38%

Cibaca

4%

Colgate Total

2%

Colgate Gel

5%

Colgate Herbal

3%

HUL:

India's largest FMCG Company

Delayed entry in Oral category

31% market share

Product

Share

Close Up

16%

Pepsodent

15%

Dabur India Ltd:

Not so far acquired Balsara

Offering in all segments

10% Shares in Toothpaste

Product

Share

Babool

3%

Dabur Red

3%

Meswak

4%

DATA ANALYSIS

Sex Ratio: From the total respondent 72% were male and 28% were Females.

Gender Ratio

Age Distribution: For the study responses have been collected from various age groups. Majority of the respondents (80%) were from the age group of 21 to 40. 18% of the age of 41 to 50 while 3% were above 51 years

Respondents Age Distribution

Brand Preference:

Majority, 55% of respondent gave preference to Colgate, while Close up and Pepsodent of HUL got preference of 32% respondents. Colgate & HUL dominates Oral category with 87% brand preference. Brands like Dabur, Sensodyne & others got the preference of 11% respondents.

Brand Preference

Type of Toothpaste:

While 60% preferred using white toothpaste, 37% preferred for Gel Toothpastes & Just 3% were seemed using Herbal Toothpastes.

Type of Toothpaste

Most desired benefit:

Based on the sample data it can be concluded that as per the shopper most sort after benefits in a tooth paste are whiter teeth's and fresh breath. These two attributes together contributes to 73%. While relief from sensitive teeth's and stronger gums contributes 10% each, packaging got the least priority with just 3%. Close to 5% shoppers believe that taste is also among the few attributes which shopper's follow while selecting a brand of toothpaste. Least weight age has been given to packaging, 3%.

Most desired attribute in selecting a brand of toothpaste

Brand Loyalty:

The study shows that toothpaste is a very intimate category for shoppers and hence difficult to change the brand preference. As high as 33% of respondents were brand loyal. Respondents which have shown willingness to change the brand also look for some kind of certification (Indian Dental Association or similar bodies etc) or promise of better delivery on brand promise. This contributes to 25% & 20% respectively. Close to 23% of the respondents have preferred consumer offers, low prices and packaging as the criteria for changing the current brand.

Supplementary products to keep the oral hygiene:

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Though India has got long history of oral care by using various products, It seems most of the respondents were either ignorant about the benefits of supplementary products or not willing to use it. Almost 77% respondents use only toothpaste to clean their teeth's and no other supplementary product. Around 8% of the respondents are aware and use dental floss while 15% of them use currently use mouth wash. Usage of mouth wash is increasing day by day. And this is mainly attributed to growing awareness of oral hygiene among the people.

Tooth Sensitivity – Know It Vs Have it?

Thanks to ongoing media on tooth sensitivity the awareness about something called “ Tooth Sensitivity” is increasing day by day. Therefore the respondents know about it partly. The sad part is when asked directly, weather they have it or not – most of them replied negative. But most of them said yes if they have been asked to drink very cold water. So the fact is while most of the respondents know about the tooth sensitivity very few of them actually know that they actually do have one.

Know It

Have It

Brand Preference in Tooth Sensitivity Segment:

Those who know that they have the sensitive teeth's have slowly started using specialized toothpastes. Out of which 50% respondents said they prefer Colgate Sensitive over Sensodyne which has 43% brand preference.

Relatively new entrant Pepsodent Sensitive had a successful launch and clocked around 7% market share within 1st of month of launch.

“ TOOTH SENSITIVITY” Toothpaste – Competitive Scenario & recent trends

“ Indians tend to follow a remedial path where they seek professional dental care only at time of severe toothaches. There is little awareness of the benefit of early, preventive care approach to oral health”

Dr. Ashok Dhoble, Hon Secretary, IDA

What is Tooth Sensitivity?

Tooth Sensitivity is a condition of a short, sharp pain experienced on consumption of hot or cold foods or liquids. Dental Sensitivity is a condition that arises when the dentine is exposed

Why does Tooth sensitivity happen?

Dental Sensitivity is a condition that arises when the dentine is exposed due to the loss of enamel or cementum

Is Tooth Sensitivity common?

It is very common and it has been estimated that approximately half the population experiences tooth sensitivity.

COLGATE SENSITIVE PRO-RELIEF TOOTHPASTE

Colgate Sensitive Pro-Relief toothpaste works by plugging the channels to block the tooth sensitivity. It works immediately to block tubules for instant and lasting relief. More importantly is very easy to apply. It is clinically proven to provide instant relief.

Sr. No

Product

Size

MRP (Rs)

1

Colgate Sensitive Pro-Relief Toothpaste

40g

70

2

Colgate Sensitive Pro-Relief Toothpaste

80g

120

3

Thermoseal

100g

54

4

Thermoseal

50g

28

5

Sensodyne

100g

65

6

Sensodyne

50g

42

7

Emoform

150g

63

8

Emoform

100g

50

9

Emoform

50g

30

10

Pepsodent Pro-Sensitive

80g

120

11

Pepsodent Pro-Sensitive

40g

70

Growth Opportunity – Indian Oral Care category

With the constantly growing disposable income consumer seek superior quality product and upgrade them. This can be evident from below graph which shows growth in premium toothpastes with superior benefits. Both of them got recently re-launched.

Source: Neilson India Market Share

Growth mantra for oral category can be well explained by 5 below mentioned ways.....

Sensitive Toothpaste - stands for more benefits & up gradation. The companies want shoppers to pay more to get more & better health benefits.

Competitive Scenario:

GlaxoSmithKline Consumer Healthcare India (GSK) brought in its global oral care brand Sensodyne to the Indian market, oral care leader Colgate-Palmolive (India) has to protect its turf in this small but growing segment of the Rs 2, 700-crore toothpaste market.

In just 4 months of its launch, Sensodyne garnered a 10% share of the Rs 209-crore sensitive toothpaste market, which brings it at a striking distance to Colgate's share of 15%. Warren Pharmaceutical's Sensodent is the second brand with a share of under 15%. This was a shocker and good enough reason for Colgate to get into a damage-control mode. Innovative campaigns such as 'ask the dentist' have been launched by Colgate-Palmolive to protect its consumer franchise. To reinforce its position, it has also launched a second product, Sensitive Pro-Relief toothpaste in addition to Colgate Sensitive, to take on Sensodyne.

HUL expanded its premium toothpaste range Pepsodent Expert Protection targeting premium oral care space. HUL was not having any offering in these premium segments for quite some time. The new range has been launched in four variants Complete, Sensitive, Pro Sensitive, and Whitening. The

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products have been priced in line with existing sensitive oral care brands such as Colgate Sensitive, and Sensodyne.

If sources have to be believed fast moving consumer goods (FMCG) major Procter & Gamble (P&G) are in mood to take a second shot at launching its oral care brand ' Crest' in India. Crest is considered to be largest oral care brand in the world. With its launch, P&G is set to take on the country's oral care market leaders such as Colgate Palmolive, Hindustan Lever and Dabur, which together control 90% of the Indian Oral Care Market. Indian oral care market is estimated to be around Rs 16, 000 Cr.

After all it's going to be an action packed time in oral care marketing & in the end let's hope that the consumer is the winner.

CONCLUSIONS:

Based on the above data analysis and interpretation, it can be concluded that

Majority of Indian consumers rely on only toothpaste when compared with those who uses both toothpaste and mouthwash together to cater to their hygiene needs. It is an Oligopoly market as there are various players compete in the same arena. COLGATE with 55% is the market leader followed by HUL with 33% market shares. HUL's CLOSE-UP with 20% market share and PEPSODENT with 13% market share are the major players in this industry along with COLGATE. These three brands together capture 87% of the market leaving a very small share for competitors such as Dabur Red, Meshwak and others.

Most of the people use white toothpaste as compared to Gel or Herbal.

The most sought after attribute in toothpaste were whitening teeth's & Fresh Breath. Together they contribute 73%, while stronger gums and relief from tooth sensitivity contributes to 20%.

There are 33% people who are brand loyal. There are about 45% people who said that they would change the tooth paste if the brand offers them superior benefit delivery promise and certification from the dental associations for the product.

Among the respondents though the awareness was there regarding the oral supplementary products, very few have the habit of using it in their day to day life. Only 8% use floss while 15% use mouth wash. Usage of mouth wash is increasing more as compared to floss. There is huge potential as most of the people do not use any additional supplementary products apart of normal brushing to keep the oral hygiene.

While most of the respondent knows about the tooth sensitivity very few could actually know that they have one. This was only be proved when we had a cold water test. Initially when asked these people said that they do not have any tooth sensitivity. But when they had a glass of chilled water some of them do felt the sensation in their teeth's. So still huge scope for awareness & conversion.

Sensodyne is giving tough competition to Colgate when it comes to tooth sensitivity. Recently launched Pepsodent Expert Protection Sensitive were also accepted very well by consumers.

RECOMMENDATIONS:

Thanks to the changing lifestyle, the eating habits are also getting changed. With this change there are enough situations where oral hygiene is compromised. There have been increases in market for mouthwash in India. To prevent this embarrassment, people want to have a fresh breath and therefore prefer using mouthwash. There is an opportunity for various brands to make it a big in this industry by best use of this market by launching various mouthwash ranges with innovative ideas.

Because oral products are considered to be intimate products, typical consumer psychology is to have very close association with a particular brand. The chances of consumer shifting to other from their preferred brand are comparatively less. There is an opportunity for superior product formulation which offers better brand promise & those which are certified from dental associations.

Dabur, though it has a small market share but its market share is consistent because of its loyal customers. This makes it difficult for the various brands to attract new customers.

Dentist recommendation affects the buying behavior of Indian consumers and therefore it should be taken into appropriate consideration by the marketers.

According to my study, very few people are affected by innovative or interesting advertising. The producers should make simple advertises which are easy to understand and which concentrate on the specific features of the toothpaste which reinforces the feature vs benefit in shopper mind.
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Chiller Test: Saw good conversion during the activity. Key places can be tapped to encourage trails and trails and more trails. Trails are key to success.

Colgate can optimize their relationship with Dentist all across the India and can float a contest... ask the expert?

LIMITATIONS OF THE STUDY

The Research is based on a sample of 40 customers. Therefore, the generalizations of the results of the study are limited as defined by the size of the sample and the generalizations of the findings for the other brands are also unwarranted.

The present study lacks internal validity. Thus, notwithstanding the richness of data, it lacks control of variables thereby influencing the research results. The selected brands are chosen with regards to their sales and popularity due to their large product depth and vast availability. This data is majorly for the urban population (Mumbai & Pune). The data however could be totally different for the consumers of rural India.

10. APPENDIX:

QUESTIONNAIRE

Q #

Question

Select from the Choices

Your Response

1

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Name

2

Gender

(a)Male

(b)Female

(a)

(b)

3

Your Age

(a)21-30

(b)31-40

(c)41-50

(d) 51+

(a)

(b)

(c)

(d)

4

Name the Brand of Toothpaste you use currently.

(a) Colgate

(b) Close Up

(c) Pepsodent

(d) Dabur Red

(e) Sensodyne

(f) Meswak

(g) Others _____

(a)

(b)

(c)

(d)

(e)

(f)

(g) _____

5

What Kind of toothpaste do you use?

(a) White

(b) Gel

(c) Herbal

(a)

(b)

(c)

6

What is the most desired attribute you seek in brand of toothpaste before you purchase?

(a) Fresh Breath

(b) Whiter Teeth's

(c) Packaging

(d) Taste

(e) Stronger gums

(f) Relief from sensitivity

(g) Any other

(a)

(b)

(c)

(d)

(e)

(f)

(g)

7

Would you change your preferred brand if the other brand

(a) Promises better benefit delivery

(b) Certified by the Dental associations.

(c) Excellent Packaging

(d) Consumer Offer

(e) Low Price

(f) No - Brand Loyal

(a)

(b)

(c)

(d)

(e)

(f)

8

Pls rank the criteria by which you select a particular brand of toothpaste

(a) Clean teeth

(b) Whiter teeth

(c) Prevents Cavity

(d) Fresh Breath

(e) Low Price

(f) Taste

(g) Sales Promotion

(a)

(b)

(c)

(d)

(e)

(f)

(g)

9

Apart from toothpaste what are the other things you use to keep your oral hygiene.

Dental Floss

Mouth Wash

Nothing