

# Project on bath soap

[Business](#), [Marketing](#)



Project on Bath Soap A Project Report On Project on Bath Soap marketing [pic] INTRODUCTION FMCG industry is the most emerging industry nowadays in Indian as well as global market. In India it is the 4th largest market, which shows that how important the industry is and how much it contributes towards our economy. FMCG includes the personal care products also like soaps, shampoos, etc. so our project mainly focuses on the market and study of BATH SOAPS IN INDIA. It consists various multi national and domestic companies. Major players are Unilever(HLL), Nirma, Godrej, Johnson & Johnson, colgate-palmolive, etc. Our main focus is on Hindustan lever ltd, Nirma, and Godrej. HLL is having largest market share within our country which gives tough competition to other local and domestic companies also. Bath soap market is gradually developing very fast and day by day many new varieties, flavours, and fragrances, are added in it by various companies to exist in the market. Our project consists study of 3 major players of bath soap market and their SWOT analysis, BCG Matrix, 5 forces model of the industry and the companies. Various suggestions and recommendations are also been given to the FMCG sector bath soap segment. HLL is the most dominating company across the world in FMCG sector due to its vertical and horizontal integration. Then also Nirma and Godrej are trying to give tough fight to it. Main mantra for success of the companies is the diversification of their business and their products. Thus the study provides detailed study of FMCG sector with focus on bath soap industry. HISTORY Soap has been with us in one form or another for thousands of years. The story goes that in Rome in around 1, 000 B. C. at a place called Sapo Hill, the women were washing their clothes in a small tributary of the river Tiber, below a religious

site where animal sacrifice took place. They noticed that the clothes became clean upon contact with the soapy clay which was dripping down the hill and into the water. It was noticed later that this cleansing agent was formed by the animal fat soaking through the wood ashes and into the clay soil.

Strangely, in the first century A. D., the Romans are credited with the making of a soap-like substance using urine. The ammonium carbonate in the urine was reacted with oils and fat in wool to form this 'soap'. During the Eighth Century the Spanish and Italians began making what was more like modern soap from Beech Tree ash and Goat fat, whilst the French are credited with replacing the animal fat with Olive oil. In England during the 17th century under King James I, soap makers were given 'special privileges' and the soap industry started developing more rapidly, although soaps were generally still made using caustic alkalies such as potash, leached from wood ashes and from carbonates from the ashes of plants or seaweed. The soaps made in this way were harsh and often rather unpleasant. Soap as we know it today did not come about until the 18th century, when Nicholas Le Blanc, a Frenchman, discovered a reliable and inexpensive way of making sodium hydroxide (caustic soda), or lye as it is known to the soap maker, which forms the base with which soaps are made to this day. Further developments in soap making were pioneered in Britain during the late 18th century with the invention of 'Transparent' soap by Andrew Pears, the son of a Cornish farmer. This refined soap was known then as it is now as Pears Transparent Soap. Over the years and to the present day, opaque soaps have remained the favourite, mainly because transparent soaps tend to be more expensive and also don't last as long. Factors likely to encourage soap marketing and

consumption in developing countries in the future include: - More discriminating educated and aware consumers. - Growth of the media, especially TV - Improvements in transportation and communication networks. - Innovative R&D for raw materials and finished products. - Growth of supermarkets and retail outlets. - High speed packaging machines and attractive packaging materials. - State of the art technology to enhance productivity and reduce cost. - Increasingly talented advertising and market research agencies. - Liberalisation of markets and growth in free trade.

**MANUFACTURING PROCEDURE** Manufacturing a soap includes 4-steps that are continuous processes, involving continuous addition of fat and removal of product. They are – Cold process – Hot process – Moulds – Purification & finishing

**COLD PROCESS** Even in the cold-soapmaking process, some heat is usually required; the temperature is usually raised to a point sufficient to ensure complete melting of the fat being used. The batch may also be kept warm for some time after mixing to ensure that the alkali (hydroxide) is completely used up. This soap is safe to use after approximately 12–48 hours but is not at its peak quality for use for several weeks. Cold-process soapmaking requires exact measurements of lye and fat amounts and computing their ratio, using saponification charts to ensure that the finished product does not contain any excess hydroxide or too much free unreacted fat. Saponification charts should also be used in hot-processes, but are not necessary for the "fully boiled hot-process" soaping. A cold-process soapmaker first looks up the saponification value of the fats being used on a saponification chart. This value is used to calculate the appropriate amount of lye. Excess unreacted lye in the soap will result in a

very high pH and can burn or irritate skin; not enough lye and the soap is greasy. Most soap makers formulate their recipes with a 4–10% deficit of lye so that all of the lye is converted and that excess fat is left for skin conditioning benefits. **HOT PROCESS** Hot-processed soaps are created by encouraging the saponification reaction by adding heat to the reaction. This speeds the reaction. Unlike cold-processed soap, in hot-process soaping the oils are completely saponified by the end of the handling period, whereas with cold pour soap the bulk of the saponification happens after the oils and lye solution emulsification is poured into moulds. In the hot-process, the hydroxide and the fat are heated and mixed together 80–100 °C, a little below boiling point, until saponification is complete, which, before modern scientific equipment, the soapmaker determined by taste (the sharp, distinctive taste of the hydroxide disappears after it is saponified) or by eye; the experienced eye can tell when gel stage and full saponification has occurred. Beginners can find this information through research and classes. Tasting soap for readiness is not recommended, as sodium and potassium hydroxides, when not saponified, are highly caustic. An advantage of the fully boiled hot process in soap making is that the exact amount of hydroxide required need not be known with great accuracy. They originated when the purity of the alkali hydroxides were unreliable, as these processes can use even naturally found alkalis such as wood ashes and potash deposits. In the fully boiled process, the mix is actually boiled (100C+), and, after saponification has occurred, the " neat soap" is precipitated from the solution by adding common salt, and the excess liquid drained off. This excess liquid carries away with it much of the impurities and color

compounds in the fat, to leave a purer, whiter soap, and with practically all the glycerin removed. The hot, soft soap is then pumped into a mould. The spent hydroxide solution is processed for recovery of glycerin. MOULDS Many commercially available soap moulds are made of silicone or various types of plastic, although many soap making hobbyists may use cardboard boxes lined with a plastic film. Soaps can be made in long bars that are cut into individual portions, or cast into individual moulds. PURIFICATION & FINISHING

In the fully boiled process on factory scale, the soap is further purified to remove any excess sodium hydroxide, glycerol, and other impurities, colour compounds, etc. These components are removed by boiling the crude soap curds in water and then precipitating the soap with salt. At this stage, the soap still contains too much water, which has to be removed. This was traditionally done on chill rolls, which produced the soap flakes commonly used in the 1940s and 1950s. This process was superseded by spray dryers and then by vacuum dryers. The dry soap (approximately 6–12% moisture) is then compacted into small pellets or noodles. These pellets/noodles are now ready for soap finishing, the process of converting raw soap pellets into a saleable product, usually bars. VARIANCE OF SOAP As a FMCG product like

every product soap has a wide variety of product line. Varieties vary with properties like

- Using age
- Fragrances
- Nature

USING AGE According to using age its like of two types. They are as follows

- Baby soap
- Adult Soap

FRAGRANCES According to fragrances it is of various types. Following are some of them....

- Rose
- Sandalwood
- Bamboo
- Lemon

NATURE According to nature, soap is of 3-types. They are as follows

- Ayurvedic
- Beauty
- Fairness
- Facial

INDIAN BRANDS In

FMCG industry, especially in bathing soap industry India has gone a long way. After soaps are introduced in India many firms n industrialists took it to a different level. There are almost 755 brands of soaps n about 35 fragrances are introduced. There are almost 175 established brands and rest being rookie in the market. Most of the rookies are local soap making brands which are on the verge of a boom. Today, the FMCG sector is the fourth-largest sector in the Indian economy, with an estimated total market size of around Rs 450 bn. Further, the growth potential for all the FMCG companies is huge, as the per capita consumption of almost all products in the country is amongst the lowest in the world. Further, if these companies can change consumer's mindset and offer new generation products, they would be able to generate higher growth. For example, Indian consumers used to wear non-branded clothes for years, but today, clothes of different brands are available and the same consumers are willing to pay almost 5 times more for branded quality clothes. It is the quality and innovation of products, which is really driving many sectors. Thus, FMCG companies should use their imagination and respect the tastes of Indian consumers by offering quality products.

Some of them are ..... âžł Rose âžł GTC âžł Leema âžł Look âžł Santoor

Table-1:- | Brand | Manufacturer | Fragrances | Iso-certified | Nature | | Rose | Laxman's | Rose | Yes | Beauty | | GTC | Vasa cosm. | Various | Yes | Toilet | | Santoor | Gupta soaps | Sandalwood | Yes | Beauty | | Leema | Vasa cosm | Various | Yes | Beauty | | Look | Laxmi soap | Various | Yes | Beauty | As we can see there are many more brands in the market that are coming with date. Many firms are also exporting to abroad, Places such as mid-africa, Singapore etc... INTERNATIONAL BRANDS Soap industry started all the way

from the year 1887, after that many small, big industries introduced there soap product in the market. Some of them went a long way and some faded early. All the brands that lasted a long time are listed below.

âžŸ Marine pure  
 âžŸ Seaweed  
 âžŸ Royale  
 âžŸ Glutathione  
 âžŸ Uno kojic

Table-2:- | Brand |  
 Manufacturer | Fragrancis | Iso-certified | Nature | | Marine pure | Ecoro int'l |  
 None | yes | Beauty | | Seaweed | Xiamen chem. | Bamboo | No | Fairness | |  
 Royale | Royal club | Various | No | Beauty | | Glutathione | Uno int'l |  
 Glycerine | Yes | Anti-aging | | Uno kojic | Uno int'l | Natural | Yes | Beauty |

**INDUSTRY PROFILE** The Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector in the economy with a total market size in excess of Rs 60, 000 crore. This industry essentially comprises Consumer Non Durable (CND) products and caters to the everyday need of the population. Product Characteristics Products belonging to the FMCG segment generally have the following characteristics: âžŸ They are used at least once a month âžŸ They are used directly by the end-consumer âžŸ They are non-durable âžŸ They are sold in packaged form âžŸ They are branded

**Industry Segments** The main segments of the FMCG sector are: - Personal Care: oral care; hair care; skin care; personal wash (soaps); cosmetics and toiletries; deodorants; perfumes; paper products (tissues, diapers, sanitary); shoe care. Major companies active in this segment include Hindustan Lever; Godrej Soaps, Colgate-Palmolive, Marico, Dabur and Procter & Gamble. - Household Care: fabric wash (laundry soaps and synthetic detergents); household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellants, metal polish and furniture polish). Major companies active in this segment include Hindustan Lever, Nirma and



Reckitt & Colman. - Branded and Packaged Food and Beverages: health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; processed fruits, vegetables and meat; dairy products; bottled water; branded flour; branded rice; branded sugar; juices etc. - Major companies active in this segment include Hindustan Lever, Nestle, Cadbury and Dabur. - Spirits and Tobacco Major companies active in this segment include ITC, Godfrey Philips, UB and Shaw Wallace. - An exact product-wise sales break up for each of the items is difficult. - The size of the fabric wash market is estimated to be Rs 4500 crore; of household cleaners to be Rs 1100 crore; of personal wash products to be Rs 4000 crore; of hair care products to be Rs 2600 crore; of oral care products to be Rs 2600 crore; of health beverages to be Rs 1100 crore; of bread and biscuits to be Rs 8000 crore ; of chocolates to be Rs 350 crore and of ice cream to be Rs 900 crore. - In volume terms, the production of toilet soap is estimated to have grown by four per cent in 1999-2000 from 5, 30, 000 tonnes from 5, 10, 000 tonnes in 1998-99. The production of synthetic detergents has grown by eight per cent in 1999-2000 to 2. 6 million tonnes. The cosmetics and toiletries segment has registered a 15 per cent growth in 1999-2000 as against an annual growth of 30 per cent recorded during the period 1992-93 to 1997-98. - In the packaged food and beverage segment, ice cream has registered a negligible growth and the soft drink industry has registered a six per cent growth in 1999-2000. MARKET CONDITION Low-priced brands Industry players commonly attribute the `de-growth' in the soap market to downtrading. Toilet soaps are among the highest penetrated products within the FMCG market, reaching an estimated 95 per cent of the

urban and 87 per cent of the rural households. The fairly high contribution from the rural market makes this category sensitive to the fortunes of the agricultural economy. The prolonged drought in the North and West of the country (until 2000) and the sharp fall in farm disposable incomes (brought on by falling farm product prices) has probably persuaded low-income households to downtrade, that is, switch from high- to low-priced brands. This is indeed supported by the fact that within toilet soaps, it is the discount segment (soaps that cost between Rs 5 and Rs 8 per 75 grams) that has registered the highest growth rates over the past year. HLL, too appears to endorse the phenomenon of downtrading. ``There has been an inter-sectoral shift in the soap market, with consumers downtrading from premium and popular to discount soaps'', explains the company's spokesperson. However, Mr Hoshedar K. Press, Godrej Consumer Care, begs to differ. ``We think consumers have already pre-committed their incomes for instalments on durables. The substitution of soap with shampoos for hair wash has also impacted growth'', he said. Better quality The crowded market place has also brought a few benefits to the consumer as marketers of soap have tried to woo consumers through upgraded offerings and better quality soaps. Aided by low input prices, the marketers of toilet soaps have increased the TFM (total fatty matter) content in their brands, to offer better quality soaps at a lower price. Industry watchers say that the TFM content on some brands has moved up from the 50-60 per cent earlier to over 70 per cent of late. Therefore, per unit realisations on soaps have declined, the marketers of soaps have actually sacrificed a part of their margins on hiking the TFM content. Tough times ahead With competitive pressures on the rise and a

larger number of brands jostling for consumer attention in a sluggish market, the soap market is likely to remain a difficult one for most players. Smaller players such as Godrej Consumer and Henkel SPIC have been in a position to report robust sales growth in the category over the past year despite the bruising competition. However, this is partly due to a relatively small base of comparison. Unless the market expands, the frenetic promotional activity may soon tell on the growth rate of the players. And when it comes to sustaining a high decibel promotional campaign, HLL's size certainly gives it the wherewithal to do it.

Rural revival -- A wild card It appears that a genuine boost to the market size for toilet soaps will still have to come from a revival in rural demand. Evidence from the past does appear to suggest that a sharp rise in rural incomes would have a cascading effect on FMCG demand. The pick-up in volume growth in the soap market in 1999, after a year of sluggish growth in 1998, demonstrated that a recovery in agricultural output does have an indirect impact on sales volumes of FMCG products. This year, reports of a good monsoon in the northern and western parts of the country have sparked off speculation about a revival in FMCG growth rates. The fact these two regions account for 55 per cent of the demand for FMCG products strengthens this argument. However, it appears to be a bit early in the day to call it a revival. For one, while the northern and western regions have received satisfactory rains, southern India has been the victim of a very erratic monsoon. Second, given that the good monsoon in the current year succeeds two or three consecutive years of drought in some regions, there could be a substantial time lag before higher rural incomes translate into better FMCG demand Third, the key crisis in agriculture over the past year

has been that farm product prices have dropped sharply in response to a build up of surplus foodgrain stocks. Therefore, even if a good monsoon translates into a higher agricultural output, there is the question of whether this will actually expand or shrink farm incomes. These factors suggest that it may be premature to take investment exposures in companies focussed on toilet soaps in the hope of a revival. It may be better to wait for concrete signs of a pick-up in rural demand, which is certainly some way off.

**Nature of the global Industry** The global soap market is dominated by a small number of multinational companies. Soap is only one sector of their product ranges. In multinational companies such as Unilever and Procter & Gamble, soap and detergent ranges typically account for less than 20% of group turnover (in 1999). The largest toilet soaps and detergents only company, by volume sales, is the Unilever Group, which has strong presence in all regional markets in the world. The top ten leading manufacturers and distributors of soap worldwide account for more than 55% of total sales by value in 1999, totalling in excess of US\$80 billion.

Position	Company	% Value of World
1	Unilever	10.07
2	Procter & Gamble	7.41
3	Gillette Group	7.66
4	Colgate	4.5
5	Palmolive	4.5

**Promotion and branding** Soap manufacturers start their marketing strategy by first identifying whether a marketing opportunity exists. They proceed to determine whether to target the mass market or a niche market, and subsequently position their products. Very often, “metoo” looking products, despite their superior performance, fail to break the barrier of routine buyer behaviour. Where the market is crowded, companies try to differentiate their products by new forms or new packaging concepts. With the increase in both domestic and global competition, companies are having

to deal with and reconcile two conflicting elements in marketing strategy — namely profitability and market share. Greater market share involves higher marketing costs and lower profitability. In India, Hindustan Lever's share of the soap and detergent market was dented severely by the Nirma (an Indian national, privately owned company) strategy of developing a product especially for the poor, until Lever managed to develop its own product. A teaser ad on Lux soap recently unleashed by FMCG-major Hindustan Lever (HLL) gives an indication that the company is planning to launch a soap which protects fairness -- in evident competition to Godrej's FairGlow fairness soap. The Lux commercial was kicked off almost in tandem with the launch of FairGlow, which is touted as India's first fairness soap. FairGlow has marked a breakthrough in the stagnant toilet soaps market and has kindled hopes of fuelling growth with the creation of a new category. The industry was rife with speculation that market leader HLL would follow in the footsteps of Godrej Soaps to launch a soap product on the same USP. While details of the proposed Lux soap are not available, the product is expected to be launched in the next fortnight. The ad depicts how, by using the soap, one can block the sun rays from tanning the skin surface. However, the ad does not reveal the name of the product. But it clearly signals that a new product offering from the Lux stable, albeit on the fairness plank, is in the pipeline. It has been a couple of weeks since the teaser ad was launched on select channels. The move is seen by industry observers as a knee-jerk reaction to combat the launch of FairGlow. The only catch here is that while Godrej Soaps directly claims delivering fairness through FairGlow, the proposed Lux product talks about protecting fairness by offering sunscreen

benefits. FairGlow is being promoted as a beauty and complexion soap which contains a bio-extract called natural Oxy-G which is said to make skin fairer naturally. For Levers, point out industry analyst, it is crucial to defend any market share erosion at a time when the industry is strutting at growth levels of 2-3 per cent per annum. Given that the Rs 2, 900 crore industry has reached saturation levels in penetration in both urban and rural markets, it is becoming increasingly challenging for marketers to develop value-added soap products in the market. Industry analysts point out that manufacturers will have to design products which offer unique benefits so as to stoke volumes growth. It is not surprising then that FairGlow is targeted at both men and women. Research findings show that a section of men too are users of fairness creams.

Production (market size)	Unit	Hindustan unilever
67		Godrej   10     Nirma   8     Colgate Palmolive   1     Others   14

Source: Vanscom Database | [pic] The leading brands in the market are Dove, Pears, Lux, Dettol, Liril, Rexona, Lifebuoy, Nirma, Palmolive and Hamam. A survey reported in Vanscom, which was conducted in Ahmedabad, showed that 103 toilets soap brands were available in this city alone. The industry had witnessed many innovative sales promotion activities in the recent past. Numerous factors were responsible for such a phenomenon. One of the reasons being that the market being sluggish, companies were trying to increase market share in stagnant to declining (volume terms) market in order to retain consumers, to encourage switching, to induce trials and liquidate excessive inventories. Another reason possible was that with the presence of so many brands the competition had increased severally leading to fight for market share and shelf space. Inflationary trend

had made both the consumer as well as trade deal prone. Due to such a dense market like India big companies adopt different strategies and coming up with various sales promotion schemes continuously. Today big players in Indian bath-soap market are... 1. HLL (Hindustan lever limited —a subsidiary of Unilever) 2. Godrej 3. Nirma 4. P&g (Procter and gamble) Among these players HLL is the biggest player with around 67% of market share. For HLL most of the soap has become a brand they have their own identity. LUX is the most recalled soap in the mind of the consumers. For these main four players , each soap is described in brief as an introduction about which soap belongs to which company. There is a strong MNC presence in the Indian FMCG market and out of the top 10 FMCG companies, four are multinationals while two others have significant MNC shareholdings. Unlike several other sectors where multinationals have entered after 1991, MNCs have been active in India for a long time. Among the major companies, Hindustan Lever has a strong presence in the food, personal care and household care (detergents) sectors; ITC is the market leader in cigarettes; Nirma has a strong presence in the detergent market; Nestle and Britannia are active in the food sector and Colgate has a strong presence in the oral care segment. Exports India is one of the world's largest producer for a number of FMCG products but its FMCG exports are languishing at around Rs 1, 000 crore only. There is significant potential for increasing exports but there are certain factors inhibiting this. Small-scale sector reservations limit ability to invest in technology and quality upgradation to achieve economies of scale. Moreover, lower volume of higher value added products reduce scope for export to developing countries. INDUSTRY SWOT ANALYSIS Strengths: - Well-

established distribution network extending to rural areas. - Strong brands in the FMCG sector. - Low cost operations Weaknesses: - Low export levels. - Small scale sector reservations limit ability to invest in technology and achieve economies of scale. - Several " me-too" products. Opportunities: - Large domestic market. - Export potential - Increasing income levels will result in faster revenue growth. Threats: - Imports - Tax and regulatory structure - Slowdown in rural demand

#### COMPANY PROFILE NIRMA Background

The Nirma story began in 1969 and since then it has expanded its detergents (cakes and powders), soaps, soap intermediates Alfa Olefin Sulphonate (AOS) to a level of Rs. 82 billion. Today, Nirma has a Rs. 17 billion share in this market and has been acknowledged as a marketing miracle. Nirma known for its focus on cost effectiveness by integrating latest technology manufacturing facilities with innovative marketing strategies to create world class brands, has by passed MNCs like HLL, P&G to become the market leader (in terms of volumes) in this price-sensitive industry. In value terms, Nirma holds 16% market share in the branded detergents segment. The manufacturing and marketing operations were divided in several closely held group companies. In FY97, Nirma group restructured its operations and merged 4 companies, namely Nilinta Chemicals Ltd, Nirma Detergents Limited, Nirma Soaps and Detergents Limited and Shiva Soaps and Detergents Limited, with its flagship Nirma Limited. Kisan Industries, the sole separate detergent manufacturing unit has been merged with Nirma in March '00. Nirma now owns all the detergent manufacturing facilities of the group, besides toilet soap/other industrial chemicals manufacturing facilities and a modern packaging unit owned by Kisan. Marketing of products is



carried out through a 100% subsidiary, Nirma Consumer Care Limited (NCCL). NCCL is the licensee for using the trade marks and the brand Nirma, which are owned by Nirma Chemicals Pvt Ltd. NCCL's lease for the brand will be in perpetuity, except in the event of Karsanbhai & Associates equity stake in NCCL falling below 51%. [pic] Share Holding Pattern The share capital of the company is Rs. 33.9 crore and the total shares outstanding amount to 3.39 crore. The face value per share is Rs. 10. The stock is currently trading at Rs. 418, as on May 28, 2001. The market capitalization of the company is Rs. 1415.85 crore. The free float is 18% and the promoters hold 72% stake in the company.

1. HINDUSTAN LEVER LIMITED [pic] Mission Unilever's mission is to add Vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life. Hindustan Lever (HLL), India's largest fast-moving consumer goods company is also the country's largest company in terms of market capitalisation. It leads in home and personal care products, and foods and beverages with over 110 brands. The Far Eastern Economic Review rates HLL as the best Indian company and recognises it as one which all others want to emulate. Its market capitalisation went up 18% to Rs 324351 mln (taking it to the first position from last year's third) when the total market capitalisation of the Top 500 companies was down 22%. It now accounts for almost 8.4% of the total market capitalisation of the Top 500. HLL's rank on other parameters are - capital employed: 87, gross block: 59, sales: 8, net profit: 12, net forex earnings: 6 and trading value: 8. Products : Lux Rexona Pears Dove Breeze Hamam Liril Lifebuoy [pic] Lux Lux stands for the promise of beauty and glamour as one of India's most trusted personal care brands.

Lux continues to be a favorite with generations of users for the experience of a sensuous and luxurious bath. Since its launch in India in the year 1929, Lux has offered a range of soaps in different sensuous colors and world class fragrances. 2003 saw one of the biggest milestones in the history of Lux. From being just a beauty soap of film stars, Lux recognized the need for a compelling message about beauty that would resonate with women of today. Lux is available in four different variants — Exotic flower petals and Jojoba Oil, Almond Oil and Milk Cream, Fruit Extracts and Honey in Milk Cream and Sandal Saffron in Milk Cream. [pic]

Rexona Rexona is one of India's pioneer brands in family soaps. Launched in 1947, it was positioned as a natural skin care soap to give silky, glowing skin. Since then the product has been constantly improved to keep up with the expectations of the consumers. In 1989 coconut was introduced in Rexona for the first time to strengthen the overall skincare appeal of the brand. Rexona has now been relaunched with cucumber extracts, in addition to coconut oil and moisturising milk cream. Its creamy lather purifies the skin, leaving it clear and flawless. It has also been enhanced with a perfume that lingers well after a bath.

Pears Introduced in India in 1902, Pears soap has no equal. It is gentle enough, even for baby's skin. Pears is manufactured like any other soap, but unlike in conventional soaps, the glycerine is retained within the soap. That is the cause of its unique transparency. After manufacturing, the soap is mellowed under controlled conditions over weeks. At the end of this maturing process, it is individually polished and packed in cartons. Today Pears is available in three variants - the traditional amber variant, a green variant for oil control and a blue variant for germ protection. [pic]

Dove Dove soap, which was launched

by Unilever in 1957, has been available in India since 1995. It provides a refreshingly real alternative for women who recognise that beauty is not simply about how you look, it is about how you feel. The skin's natural pH is slightly acidic 5. 5-6. Ordinary soaps tend to be alkaline, with pH higher than 9. Dove is formulated to be pH neutral (pH between 6. 5 and 7. 5) and to be mild on skin. This makes it suitable for all skin types for all seasons. While Dove soap bar is widely available across the country, Dove Body Wash is available in select outlets. Globally, Dove has been extended to many other countries. Since the 1980s, for example, Unilever has launched a moisturising body-wash, deodorants, body lotions, facial cleansers and shampoos and conditioners, providing a comprehensive range of solutions to bring out true inner beauty. Breeze [pic] Breeze Scent Magic is the soap which fulfills the aspirations of women of rural India. Breeze has offered them 'beauty at an affordable price', making them look and feel beautiful.

Research and consumer visits have shown that the desire for great fragrance featured highest in the daily beauty regime of discount-soap users. Breeze explores this through the proposition of 'scent in a soap-Scent ka kamaal, ab sabun mein' and explicitly propagates the brand promise of the " Hameshaa kuchh extra". It delivers all this and still matches consumer's needs in terms of price and quantity offered, staying true to its word. Breeze has been enriched with 19 special scent oils, which ensure that one smells good for a long time through the day. Introduced in variants like Scent Magic, Scent Magic Lime, and Scent Magic Sandal, Breeze strives towards fulfilling the company's mission of being inventive in creating value. Hamam [pic] When it comes to soaps, Hamam is considered to be the most reliable option.

Launched in 1934, Hamam has traditionally been a soap that takes care of your skin in a natural way. According to a research conducted By Indica Research in May 2003, 78% of Doctors in Tamil Nadu recommend Hamam. Besides being a perfectly balanced soap, Hamam takes on a very modern and trendy look. Hamam's enhanced fragrance now provides a longer lasting freshness. The new attractive oval shaped Hamam comes in an attractive and modern packaging. The ingredients that are used in Hamam - Neem, Tulsi and Aloe Vera - by themselves have great therapeutic values. Hamam, the brand is very true to its tagline that says, " Everything in life is about balance". Liril [pic] For 28 years, freshness has been clearly identified with one name — Liril Liril expressions have always set trends whether it is a bathing beauty in a waterfall or " Oof Yu Maa!" The energy and excitement levels associated with the brand have to be experienced to be believed with changing times. Liril has donned many avatars; Presently, Liril Soft Aloe Vera & Lime, Liril Icy Cool and Liril Orange splash are making waves. What's next? Wait and Watch! The show has just begun... Lifebuoy [pic] Making a billion Indians feel safe and secure by meeting their health and hygiene needs is the mission of Lifebuoy. The world's largest selling soap offers a compelling health benefit to the entire family. Launched in 1895, Lifebuoy, for over a 100 years, has been synonymous with health and value. The brick red soap, with its perfume and popular Lifebuoy jingle, has carried the Lifebuoy message of health across the length and breadth of the country. The 2002 and 2004 relaunches have been turning points in its history. The new mix includes a new formulation and a repositioning to make it more relevant to both new and existing consumers. At the upper end of the market, Lifebuoy

offers specific health benefits through Lifebuoy Gold and Plus. Lifebuoy Gold (also called Care) helps protect against germs which cause skin blemishes, while Lifebuoy Plus offers protection against germs which cause body odour.

Research methodology Need for study Fmcg sector is very vast and 4th largest sector in Indian economy in which different marketer use different strategies for the survival and make profit from their products or brands. In this sector there is very tough competition between players. they are using large number of advertising, sales promotions, positioning, and pricing strategies. Research design We have used secondary data as a source of this research. Data sources Secondary data: Web sites, Magazines, Newspapers Limitations of study Lack of sufficient material. Lack of time. Growth and expansion strategies in global scenario Market segmentation Most multinationals are active in almost all the regions profiled in this report. Their global reach has been facilitated in part by the increasingly open economic policies that were being implemented by developing countries such as India and China during the 1990s. Corporate market expansion strategy by the multinational organizations has involved increased market segmentation to create a wide range of products especially in the toilet and laundry soap categories. The main developments during the 1990s has thus been the growth of task specific products. The market for bath products in particular, has shifted toward body cleansing, as well as moisturising, as brands become more specialised. Traditional soaps are fighting back with a move toward nostalgia, and seem to be attracting consumers back to the products they know best. Mergers and acquisitions Production of soaps for distribution on the international market takes place as near to national markets as

possible. The distance of many of the emerging markets from major industrial nations, and the sheer bulk of the bar soap and liquid soaps combine to make import uneconomical in most instances. While domestic manufacturers traditionally tend to concentrate in their countries of origin, they are increasingly seeking to increase revenues by venturing into neighboring countries. This situation is most common in Asia and Latin America. The main strategy used by companies wishing to enter other markets is a series of mergers and acquisitions. In addition, they acquire manufacturing facilities and set up distribution agreements with local companies. With the exception of East and Central Europe, most soap and other toiletry markets are becoming increasingly foreign. In Latin America, Brazil stands out as an exception to this trend, having a high presence of domestic companies. In Asia, domestic manufacturers such as Nirma and Godrej are gradually increasing their domestic market share, particularly at the lower end of their markets. The acquisition of regional players represents a clear means of establishing or strengthening a position in a region. Acquisition is also being used as a means of balancing the geography of a portfolio where a large player is weak in a particular country. This seems to have been a major factor in Unilever's acquisition of Helen Curtis. The alternative to acquisition or creation of a manufacturing operation in the target country, is to set up a licensing agreement with a local manufacturer. Leading brands Unilever has significant involvement in the global soap market through a portfolio of strong consumer brands marketed primarily through selective mass outlets. In the detergent market, the most established brand is Omo in the fabric detergent sector. Omo is sold in over

50 countries with a wide number of formulations to reflect local washing preferences. Its Lux, Rexon, Dove, Ponds and Lifebuoy brands are present in virtually every market around the world. Other leading brands include Hellmann's', Liptons, Knorr and Ponds.

**FINDINGS & SUGGESTIONS**

**Tax reforms**

The government has gradually removed the restrictions on imports of consumer goods in the country and also significantly reduced custom duties. The domestic tax structure of these products, however, has not been rationalised to provide level playing field for competition. This is adversely affecting the growth of the FMCG industry and could have far reaching adverse impact. The following taxation issues need urgent attention of the government:

- 1) Extremely high incidence of tax on certain product categories

Some FMCG products such as shampoos, processed food, soft drinks and toiletries containing alcohol attract high rates of excise duty and sales tax. The total tax incidence in some cases is more than 60 per cent of the cost or more than 30 per cent of MRP. Such high tax incidence hampers growth of these product categories besides encouraging manufacture of spurious products and smuggling. It is recommended that the total excise incidence of FMCG products should not exceed 16 per cent in the case of non food items and eight per cent in the case of processed foods. Similarly, the marginal rates of sales tax, which is currently in the range of 10 to 25 per cent, should not exceed 12 per cent.- 2) Irrational domestic tax structure encouraging imports

Significant reduction in custom duty rates of consumer goods has made imported product cheaper as compared to indigenously manufactured products, due to irrational domestic tax structure. For instance, goods manufactured in India suffer from cascading effects of taxes

on inputs as additional cost compared to imports. The cascading effect of sales tax and local levies on inputs used in domestic manufacture should be eliminated by providing either MODVAT credit or by introducing notional VAT covering both central and state taxes on an urgent basis. Moreover, MRP-based excise duty is levied on a large number of FMCG products.

Countervailing duty on the same product when imported is charged on CIF value. The MRP based assessable value for excise duty does not allow abatement for post manufacturing costs such as advertising and selling expenses whereas CIF value considered for the purpose of import duty does not include costs of these elements incurred subsequently by importers. This differential basis creates unfair competition as tax incidence on domestic manufacture could be considerably higher in case of those products which incur significant marketing and distribution cost. There is a need to bring parity in tax incidence between domestic manufacture and imports by including all such elements of post manufacturing costs while deciding the abatement percentage of MRP based duty. Other suggestions

1. A joint industry –government initiative for building a " Made in India'' brand for FMCG products is required. With many multinationals moving into the Indian FMCG market, a concerted marketing strategy which creates strong brands will be needed for Indian FMCGs to gain recognition in the market.
2. Better packaging materials are necessary as a large number of FMCG products are perishable . The government must facilitate more R&D in packaging materials as this will help in cutting wastes and costs in the sector. The possibility of a longer shelf life will encourage production of goods of higher value addition by companies in the sector.
3. While import of most items has



been allowed, the government is not geared to prevent import of spurious products. In other countries, FMCG goods have to be cleared by regulatory authorities before they are allowed to enter domestic shores. This is not happening in India and the government needs to undertake a comprehensive crackdown on these products. 4. The small-scale reservation policy should be reviewed as it hampers the growth of this sector. Many reserved products, including several FMCG products can be freely imported. Under the current policy, not only are Indian producers of many FMCG products restricted from attaining economies of scale, they also have to compete against import that do not face constraints on small scale reservations. 5. Food laws such as the PFA Act should be amended and be made contemporary. CONCLUSION From the above detailed study of the FMCG industry with the focus on bath soap segment we can make out that FMCG is the most emerging sector and industry not only in India but all over the world. The main leaders of the bath soap segment like HLL, NIRMA. AND GODREJ are focused in the study which shows that HLL is the leader in FMCG industry and has a large amount of market share about 67% and even the growth rate. The main reason for the success of some companies is their strategy and distribution networks. HLL is dominating due to its diversification, vertical and horizontal integration, breadth and depth product line and innovative and customer oriented product introduction. Thus the company needs to focus on its distribution channels, networking, marketing strategies, sales promotion etc to succeed in the market. From the study we can make out that nirma and godrej still needs a lot market penetration in the urban market also with focus on the premium class. BIBLIOGRAPHY Websites : [www.nirma.co.in](http://www.nirma.co.in) [www.hll.com](http://www.hll.com)

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