

# Marketing plan female condoms marketing essay

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



END TERM

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## **Executive Summary**

India currently the second most populated country in the world with a population of a whopping 1.2 billion is in a democratic transition stage. It becomes very essential for us to control the rising number of population by adopting various birth control methods. Of the various birth control methods adopted contraceptives are the most popular. The advantage of using contraceptives is that it not only is an effective way of controlling pregnancy but is also useful in preventing sexually transmitted diseases. The most popular of the contraceptives is the barrier based method consisting of the male and the female condoms. In generic terms condoms is recognised only as male condoms and a very abysmal number of people are aware of the female condoms. In a country notorious for AIDS and rising population it becomes essential to inculcate a holistic approach including both males as well as female condoms in the market. Our product of female condom aims at not just being a contraceptive aimed at addressing health and safe sex

but it identifies the need of wanting a pleasurable sexual experience. The advantage of female condom is that it gives a feeling of unprotected sex which is mostly sought out during sexual intercourse. The target market for the female condom would be dual, firstly NGO's working for women and sex workers, NACO and other government agencies working in the field and secondly it would be modern day working class educated women and men . The former is aimed as a part of societal marketing concept wherein the health of the people is targeted with respect to pregnancy and prevention of STD's. The latter target population shows the category of empowered women in decision making. It also aims at men who are considerate towards their female partners and believe in equality of both the genders. Under the banner of stridom company private limited we bring about two brands of condoms one which serve the NGO's and the other for the modern working women . The female condom for the NGO's is named as ' Mohini' whereas female condom for the urban women as ' DiVa'. Both the brands cater to different targets hence their marketing mix and distribution channels vary accordingly for both of them. The financial costs, expenses, and break-even analysis are different for them due to different economies of scale. As the sale increases the cost would go down and in future the target segment would expand the rural and unorganised sector. The need to make people aware of the advantages of female condoms and changing the perception of the society towards the use of condoms and AIDS/STD's in the larger picture remains the aim of the company.

## **Need Identification**

The need for bringing a female condom in the market is not as a measure for safe sex practise or avoiding unwanted pregnancy or avoiding diseases like AIDS/STD's. For all these needs, male condoms and contraceptive pills are available. The USP of female condoms is that it gives a feeling of unprotected sex. This factor is related to the pleasure involved in having sexual intercourse. Hence female condom leverages condoms not just as a medical product for birth control but is a product of delight. it will Cater to women who are independent and self-sustaining as well as men who are the gatekeepers for purchasing as a product of enjoyment.

## **Situation Analysis**

### **Market Summary**

#### **Target market- Plan of action**

For Stridom, we have identified two exclusive markets that should be targeted. One would be urban educated and independent women and men and second would be NGOs, NACO and government. Through the latter target market, we would cater to sex workers. We will create 2 different brands which would be positioned in these two markets. The product which would cater to NGO's and Government will be of basic quality and the other one will be of a higher quality which would enhance pleasure and luxury for the urban population.

### **Market Demographics**

Market population growth: The market selected for the study i. e. Anand and Vadodara in the urban segment and Nadiad for the semi urban segment has

a diverse population mix since the area is an industrial unit and is educational and business centre. According to the 2011 census Anand has a population of 2, 090, 276 of which male and female were 1, 088, 253 and 1, 002, 023 respectively. Vadodara has a population of 4, 157, 568 of which male and female were 2, 150, 229 and 2, 007, 339 respectively. The semi urban city of Nadiad has a population of 218, 150; of which male and female are 112, 381 and 105, 769 respectively. The population mix is high since there is inflow and outflow of job seekers, student and labourers.

## **Market Growth**

In India, female condoms first entered the market in 2006 with 2 major players. Since then, there has been a negligible growth of the entire female condom market. However, there exists a huge potential market for female condoms. In 2010, 1, 20, 000 female condoms were sold in Delhi alone whereas 7, 60, 000 female condoms were sold in the entire country. In the following year there was no growth in the sales even though one of the manufacturers increased its production capacity by 25%. Sales remained stagnant and the total sales were around 7. 5 to 8 lakhs. In the year 2012, Midyear sales of female condoms improved and 4. 5 lakhs were sold till September. Total estimated sales would be 9 lakhs if we consider equal sales in both the halves. Fig. 1 The reason for growth in the sales can be attributed to the fact that when initially launched, these condoms were made of polyurethane. However, the newer version launched in 2011 made of nitrile, another form of rubber, is cheaper, stronger, smoother, thinner and more reliable than a male condom that is made of latex rubber. The shelf life of a female condom is five years, while that of a male condom is only three.

## **Product Characteristics**

The product levels for stridom are as follows: Core benefit: The fundamental level at which stridom is used is as a method of contraceptive. Basic product: Stridom is a barrier based condom wherein a strong, soft, transparent of polyurethane or nitrile sheath is inserted in the vagina before sexual intercourse. Expected product: Augmented product: Potential product:

## **Product classification**

Under the product classification female condoms comes under the consumer goods. In consumer goods it finds its place under unsought goods. Unsought goods are those the consumer does not know about or normally think of buying.. The biggest drawback related to female condoms is that of providing it to the retailers from the wholesalers.

## **Product differentiation**

The product is not differentiated much at the moment since there are only two competitors so the product remains basic for phase one initiation.

## **Analysing Environment**

### **Sociocultural Environment**

India is a country which has numerous myths with regard to condoms. Female condoms are no exception. Though studies conducted in past with the sex workers show that after initial discomfort they accepted the product with great zeal because the product gives them more liberty in instances where the male partners refuse to use condoms. But still the females are reluctant in using the product because they have difficulties of privacy and have lesser say in decisions with regard to sexual lives. Social values are the

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biggest competitor for stridom as India's social structure is male dominant and thus males are reluctant in granting authority of such issues in the hand of females.

## **Natural Environment**

Natural environment factors that affect the business include environmental regulation, permit regulation, compliance requirements and environment contaminants. Nitrile is the material used for manufacturing female condoms. It is a synthetic copolymer of acrylonitrile and butadiene.[1]This material is neither biodegradable nor can be recycled. It cannot be broken down in landfill. Besides, when it is burnt it can produce highly toxic HCN gases along with carbon monoxide. The hydrocyanide gases can stop the cellular respiration and cause human death. Carbon monoxide leads to severe illness along with increase in global warming as it combines with greenhouse gases to trap the sun's heat. Besides, the packaging used in Mohini is recyclable and thus would not be a source of harm to the environment

## **SWOT analysis**

### **Competitor Analysis**

### **Competitive Analysis**

Social values, customs and various beliefs prevalent in the society are the major competitors to both Mohini and Diva. People abstain from using a condom during sexual intercourse as they believe that it would not optimise both pleasure and satisfaction. Often men find it a barrier to their masculinity. Moreover, in the Indian society it is the male partner who plays

a major role in taking sexual decisions. Hence, this further hinders the penetration of female condoms in the households as the consumer of the product is not the actual buyer and also has a very little say in the buying decision. Use of condoms has often been considered a taboo and people have always taken a back seat while having a discussion on its usage and benefits. Besides whenever there has been a third party intervention in creating awareness regarding the same, the level of response further strengthens the repulsive attitude of Indian society towards its use. Hesitation in purchase is another factor which hinders the female condom market. The seller is generally a male and again the male-female closed attitude towards the product arises preventing a female member to go and ask for the product in the shop herself. Moreover, couples in long term relationships further abstain from using condoms during intercourse as they believe that if they are faithful they do not need a condom, it is an instrument meant for those with multiple sex partners.[2]

## **Marketing Strategy**

### **Marketing Objectives**

The marketing objectives for this social marketing plan would be to: Increase awareness of our product " Stridom" in the target market using product differentiation and multi-quality product. Build 2 separate products to cater our mutually exclusive target markets. For urban market, build a (premium) brand image by positioning the brand as a ' high pleasure and luxury product' in the minds of the target customers. Make the product visible and easily available to the target customers through appropriate distribution channels for NACO, NGO's and urban independent women. Through these



measures, we expect to achieve break-even sales target in the first year of operation and then earn a return of more than or equal to the industry average. In every subsequent year (for five years), we plan to increase the percentage of target market captured by 5-7% of the existing market. Further, the objective is to obtain an operating profit margin of around 5% by the end of the 5 year period.

## **Financial objectives**

In the financial objective we'll consider the four aspects of our product. That include the revenue that we'd get by selling of the product including both the open market i. e. in urban market and the NGOs and NACO. The revenue that we're going to earn from the product depends on the number of units that we're going to produce and the price of the product. The two brands that we're going to create of the product is " Mohini" that will cater to the needs of NGOs and NACO and " DIVA(for women with a difference )" that will cater to the needs of the urban markets i. e. educated and independent females and homosexual males.

## **Mohini-Condom for NGOs and NACO**

### **Revenue**

In this case the revenue that we're going to earn will come from the the NGOs and NACO. Since we're producing the quantity of 0. 3mn and are selling it at the price of Rs. 20/unit so our expected revenue will be equal to  $300000 \times 20 = \text{Rs. } 60,00,000$ .

## Cost

For calculating the cost of the product we'll take into account the cost of manufacturing as well as the cost of transportation involved in the successful delivery of the product. The manufacturing cost of a piece of mohini Rs. 10 because in this case as velvet is our competitor and they are manufacturing the product at Rs. 7 per piece. We're able to produce the product at a slight higher cost than the cost at which velvet is producing because they are established player in the market and have economies of scale. We're new player in the market so we'll incur higher cost in manufacturing of the product. So since we're producing 0.3mn units so the cost incurred will be  $3,00,000 \times 7 = \text{Rs. } 21,00,000$ . The cost incurred in the packaging of the product is 50p/unit and the cost that will be incurred in the transportation of the product from anand to ahmedabad and vadodara will be calculated as following: The transportation cost of a vehicle from anand to vadodara = Rs. 2000/vehicle and from anand to ahmedabad = Rs. 3000/vehicle and we'll be sending 1 vehicle to each of these two cities carrying our product which will cost Rs. 5000/month i. e. Rs. 60,000/month in a year. So the total cost incurred =  $21,00,000 + 60,000 + 1,50,000 = \text{Rs. } 23,10,000$

## Advertising

Since we're catering only to NGOs and NACO so there will be no cost of advertising involved since we have contacted NGOs and NACO directly and asked about their demand that how many people are they dealing with and what are their requirements and additional product features if any they want. So in this case we are not going for any type of advertisement like print media or any other media.

## **Profit**

The profit that we are making will be equal to the revenue less cost. In this case the profit will be: The revenue= Rs. 60, 00, 000  
Total cost incurred= Rs. 23, 10, 000  
So the profit that we would be earning will be equal to =  $60, 00, 000 - 23, 10, 000 = \text{Rs. } 36, 90, 000$   
Break-even Analysis: Since the number of units that we will be producing is 3 lakhs and the total cost incurred is Rs 23, 10, 000. So, the break even quantity can be calculated as the quantity which covers the cost that is being incurred in the production. So the number of units needed to break-even=  $23, 10, 000 / 20 = 1, 15, 000$  units  
When we will be able to sell this much of quantity then we will be at break-even and beyond that the revenue earned will be our profit.

## **Target Marketing**

As identified in the target market there are two segments we are catering to: NGO and government institutions working for women  
The modern day educated working class women  
Since the two segments are totally different with respect to the lifestyle and needs hence we bifurcate our product in two parts i. e. we bring about two female condom brands in the market. One brand would specifically cater to our social marketing objective whereas as a profit making company the second brand would cater to the urban working class modern women. The positioning and marketing mix would hence change for the two.

## **Positioning**

The image of the product would be designed to occupy a distinct place in the minds of our target customers. The product will have the category

membership of " a barrier based contraceptive which gives the same pleasure as one gets without using any" for clients of sex workers who generally doesn't like using any barrier based contraceptive. Since there are not a lot of similar products available in the market, the objective of the communication strategy would be to increase awareness about the product category and then to create a distinct image of our product in the minds of the consumers. Playing up the points of difference would be the major highlight of the strategy focusing on urban markets. For NGO's, NACO and government, our POD would be a continuous supply and cheaper prices. The points of parity will make the consumers view the product as a legitimate and a credible offering within the barrier based contraceptive group, and the points of difference would demonstrate a clear superiority of our product for the target segment. Hence the positioning strategy used is associating the product with an attribute of extra pleasure and leisure to meet the requirements of this patriarchal society. Further this product would be extended by the NGOs to the sex workers as a symbol of empowerment and enhance their decision taking ability.

## **Marketing Mix**

### **Product**

We shall be working with female condom under the brand name Mohini. The product specifications are as follows:

### **Components**

#### **Compound**

Sheath Nitrile Outer Ring Nitrile Inner Ring Polyurethane Lubricant Silicone

## **Dimensions**

### **Specification**

Length 163-183 mm Width 76-83mm Thickness 65-85 $\mu$  Top Ring Diameter 67 mm Top Ring Thick 2.9 - 3.6mm

### **Physical Properties**

Burst Volume 5.0 litres minimum Burst Pressure 34.5 mbar minimum

### **Water Leakage**

0-25mm no visible holes 25mm-closed end

## **3**

Lubricant: The lubricant used is silicone based which is non spermicidal. At the same time, since it is made of nitrile, extra oil and water based lubricants can be applied on the condom or penis also.

### **Points of Parity**

It does not depend on penis erection and also does not need instant withdrawal. It provides additional protection by creating a barrier between the penis, vagina, cervix and external genitalia. This provides extra protection. It is specifically more useful for people who are allergic to latex. It is neither tight nor constricting. It is not needed to be inserted during the sexual intercourse as that can be done for prolonged duration even before sex, hence adding to convenience. It increases the temperature of the body.

### **Points of Difference**

Use of nitrile as the raw material for production leads to reduced costs.

## **Product Packaging**

We shall be offering our product in aluminium foil bags in sachets. Instead of producing our own packets we have decided to outsource the same from China based company Colorful Packaging Limited.[4] This would prevent us from incurring fixed costs of establishing our own packaging unit. As we are a start-up now, it would not be feasible for us to incur a huge investment. Moreover, this would enable us to focus on our core business activities more efficiently. It would also add to flexibility in our operations for we may place an order according to the demand. We chose the above type of packaging because of low cost of 50paise per piece which is affordable. It comprises all the features we need for packaging our product. The size of each sachet would be 170 mm with a thickness of 85  $\mu$  which would be suitable for the size and dimensions of our product. The colour of the sachet would be silver as it signifies feminine energy and produces a soothing and calming effect. Moreover this packaging is also recyclable. The basic reason for choosing this kind of packaging is to provide easy handling with respect to tearing off before usage and thereby its disposal after usage. It is also easy to keep in pockets or pouches due to its small size and foldable property. This sort of packaging would also protect our product from any kind of wear and tear thus preventing damage. It has no pores or holes which would further add to safety of our product. Moreover, it also would match the products characteristic of maintaining 5 years of shelf life.

## **Price**

To get an idea about the manufacturing cost of the female condom we talked to the dealers and distributors in Ahmedabad. So we got to know that they

get the product at selling price less 30% of the selling price. And if we go by the marketing heuristics than we can say that the manufacturing cost of a product is 30% of the price that a distributor pays for the product. So since the velvet sells the product at Rs. 100/3 pcs. So we can say that distributor gets the product in Rs. 70 for 3 pcs. So the manufacturing cost of the product will be Rs. 21 for three pcs. The 49% goes to the distribution and retailing cost. Since we're taking velvet as our competitor in this market because both of us have the same buyers or group of buyers i. e. NGOs and NACO so we'll put the price of our product somewhere around the price at which velvet sell its product. As it is evident that the whole pie of the market is very small because there is not much awareness about the product amongst the masses so our focus would also be on increasing the whole pie of the market for the female condom. Velvet sells its product to NACO at Rs. 24 a piece so we'll sell our product at a price slightly lesser than that to get a competitive edge over velvet. We'll try and sell our product at a price of Rs. 20 per piece that will include the manufacturing cost and packaging and distribution cost at the centre of NGOs and NACO. We'll produce 0. 3mn units of the product as we know that velvet has sold 0. 28 mn to NACO according to last year sales data of velvet.

## **Promotion**

We need to make the NGOs aware of our product by efficiently communicating the required information. This would enable to generate demand. For this purpose, we shall be implementing the following promotional measures: Presentation: We shall make effective presentations in the NGO s which would focus on how our product can enable them to

achieve the goals of achieving empowerment of female sex workers. This would be an efficient means to communicate both about the purpose of our product and its usefulness to the consumer. Samples: We shall provide them with sample of 50 pieces to each NGO before making sale. This would enable the NGOs to identify the difference, assess the impact and thereby feel confident while making a purchase at the later stage. Moreover, there are some NGOs who have not been using female condoms. Distribution of samples would lead to exposure and also eliminate the fear factor and hesitation during purchase. Better deals: We aim to offer our product at a price which is lower by Rs. 4 per piece. This would be an attractive deal for the NGOs which would encourage them to make purchase.

## **Place**

We shall be using a zero level distribution channel wherein we would directly approach the NGOs and stimulate demand. We shall be involving no intermediaries. This is because we aim to extend our product to the 11 NGOs present in Vadodara and Ahmadabad both of which are accessible. We also aim to include NACO which has its head office in Delhi and regional office in Ahmadabad[5] which is again within our reach. Besides, involvement of any intermediary would be ineffective as efficient communication and personal relations play a vital role in distribution of female condoms to them as it is associated with a social welfare dimension. Moreover, it would also be a source of unnecessary added costs with complete control over the product. Besides, since our product is at an introductory stage now, hence we prefer to go by zero level channels owing to its sensitivity and purpose of sale.



## **DIVA- Condom for educated and independent women**

### **Building Brand Equity**

The female condom needs proper brand equity by creating a right brand knowledge structure so that it meets the right customers.

### **Criteria for Choosing Brand Element**

Multiple brand element strategy is used for female condom . For this we are going for a distinctive name of ' DiVa', empowering slogan of ' for women with a difference' and the name of DIVA brings in an image of a modern day women who is independent , stylish and powerful in her own sense. It gives an appealing and a modern day look which symbolizes an empowered women who makes her own decisions. Associating the brand name ' diva' with empowerment and making it the new sexy would also trigger curiosity in men as well. The three important aspect involved in the selected brand element is as follows : Memorable: The short brand name of " Diva" would help the customers to recall and recognize the product . Moreover giving a different name of ' femidom' to the female condom would be convenient to women to ask for in shops since there are inhibition related to the word ' condom'. Meaningful: The meaning of ' DiVa' is The word entered the English language in the late 19th century. It is derived from the Italian noun diva, a female deity. The plural of the word in English is " divas"; in Italian, dive ['di:ve]. The basic sense of the term is goddess,[1][2] the feminine of the Latin word divus (Italian divo), someone deified after death, or Latin deus, a god.[3] The word is cognate with the Hindu term Devi meaning goddess (masculine Deva meaning god) which in turn originates from the ancient Sanskrit language, one of the

earliest Indo-European languages;[4] the word is also cognate with the Avestan term denoting the Zoroastrian concept of the Daevas and with the Lithuanian word *deivė*, meaning a female deity. who is , slogan and name (give reference)Likable: The packaging and logo is done in a a shade of pink since it is considered a as a feminine colour and will appeal the cognitive areas of the user.

## **Integrated Marketing**

It is important to build a brand contact for such sensitive product. The following activities would be involved for the holistic brand marketing :

Personal observation and use: To give a sample of male condoms alongwith that of the female condoms so that there can be a personal comparison on the usage of which condom is better to use . Word of mouth: The giving of male condom along with the package strategy would generate a informal opinion about the advantage of using a female condom over a male condom which would be shared in closed circles and thus generating a word of mouth. Interaction with company personnel: Online and telephone experiences: Pooling health workers , gynaecologists and doctors to form a helpline so that there is a direct interaction by them to the users to solve queries related to the use of condoms , inhibitions and health related issues. Payment transaction: In the form of cash over the counters , online transaction, cash on delivery.

## **Positioning**

Positioning is the third important step in the STP process. Positioning determines how a product is placed directly with its competitors. Our product

" DiVa" a female condom is catering to the need of " pleasure of unprotected sex" and we are targeting the men and women from higher strata of society. It is found that men often don't like using condoms because it reduces the pleasure of the sexual intercourse, which leaves them dissatisfied and also makes their partner vulnerable to a number of dangers. We will position our product as the one which will come as symbol of ' care and concern' from man for the health of his female partner and a source of satisfaction for himself and the woman would see his male partner with more respect, dignity and love. Our positioning strategies would be a two pronged strategy with aiming to position the product through pricing and according to the attributes of our target market. Since we aim to cater to the needs of higher strata we will position our product as a " luxury" brand through pricing of Rs. 100 for a pack containing 3 condoms. This is ' Product-Quality' approach in which a product pricing higher is perceived to have a high quality.

## **Marketing Mix**

### **Product**

The specifications of Diva would be similar to that of Mohini because the basic functionalities of the product would be the same. We will differentiate Diva to promote the leisure and pleasure qualities associated with the product. We will introduce the product with qualities like scented condoms, dotted flavors and extra lubricants which enhance the qualities of leisure and pleasure amongst the users.

## **Product Packaging**

The packaging of the product is same as that of Mohini. Like Mohini, we would also be outsourcing the packaging from a company in China called Fashion City Tuo Pu Xiu Trading Limited. The company would supply the pack for three condoms at Rs. 1. 50. We also intend to supply a pamphlet with the packet which would explain all the aspects related with usage and facts with the product. The cost of this pamphlet would come around 50 paise. Hence, making the cost of package per pack of three condoms at Rs. 2. The colour of the packaging would be blue by which we have tried to give it a ' sexy' appeal. This package is recyclable as well. The box would protect the product from any kind of damage that may occur during the transfer of product from the manufacturers to the ultimate consumers. Also it would make the product more attractive and would convey the intended image we associate with the product of it being ' sexy'.

## **Promotion**

The promotion of Diva is undertaken keeping in mind the target consumer segment. The target being educated and working class independent women and men, we try to promote the product through means like internet and magazines which are accessed by the target population. 1)Website: We will create a separate website dedicated for the promotion of our product. With this site we will not only promote our product but also create awareness about the issues the product is trying to address. We would also invite user experience which can provide constructive feedback for us and act as a tool of promotion for other visitors who might visit the product. We will promote our website, [www. stridom. com](http://www.stridom.com) through its packaging and other means by

which we are promoting our product. Through our website we will provide our visitors with information on the work we are doing for the welfare of the society. We will act as a facilitator between the NGOs and people who want to contribute to the cause in anyway. This will help us in creating goodwill among people and by extending help to the NGOs we can strengthen our relationship with them. 2)Relationship building: We would also invite user experience which can provide constructive feedback for us and act as a tool of promotion for other visitors who might visit the product. We will also encourage an interactive relationship with the users solving their apprehensions. 3)Magazines: We will advertise in magazines like Woman's Era, Men's Health and. We plan to run the advertisements in the magazine for consecutive 6 months to increase the visibility of the product because the product being new needs to be noticed by the consumers. After this we will run the advertisements in the magazine every alternative month. The expenditure on advertisements is considered to be the deferred revenue expenditure and hence the benefit from it is considered to be spread over 10 years.

## **Place**

Since the product is one where customers do not have much knowledge of its differences, usage and advantages; so we have tried to keep the distribution channel small and simple. This is because as the number of intermediaries increase it would reduce the company's effectiveness in conveying the qualities of DiVa. A relatively short distribution channel will enhance the company's ability to be in touch with the consumers as and when required. Direct selling is not feasible in this case because of the

specialized nature of the product. Thus, we plan to introduce our product in a 2-level distribution channel. This consists of the Manufacturers (us) then the distributors, the retailers (massage and spa parlors, beauty parlors, chemist shops, Premium lingerie stores, cosmetic stores etc.) who finally distribute the product to the consumers. The functions of various levels of intermediaries are: Distributors are the first point of contact for the company. Not only they help in distributing the product to the retailers but they also enable communication between the company and the retailers. They are a source of information for the company when it comes to know about the buying behavior of the consumers and their expectations. They help the company in saving costs like transportation and personnel cost for distributing the product. They have a ready database of the retailers where the product can be supplied which further saves the company's cost in searching for such suppliers. Retailers are the intermediaries which are in direct contact with the ultimate consumers. They are the facilitators of the sale process. The retailers of Diva include chemist shops, premium lingerie shops and cosmetic shops. These are the places where consumers come in contact with the product. The retailers perform the function of introducing the product to the consumers personally. Reading about the product from print media and other sources of promotion is another thing and a face to face dissipation of information of the product is something else. This face to face communication of information would be very effective in sales of our product as it would instill confidence among the potential users. Thus retailers are a very crucial link in our distribution channel. The consumer's reaction about the product and its performance is easily gauged by the

retailers. This information is very helpful to any manufacturer as they can improve the product and other aspects related to the product with this kind of feedback.

## **Distribution Strategy**

### **Push Strategy**

Benefit to distributors: We will adopt the strategy of rewarding our distributors for a level of sales achieved. In the initial phase i. e. the introduction stage of the product, "rewarding distribution" strategy will be used in which will keep the distributors motivated to sell more. We can give the title of "distributor of the year" and that distributor will get 5% of the total sales revenue earned by our product.

### **Price**

We intend to introduce DiVa by adopting the "Skimming Price" technique. In price skimming technique the marketer initially sets a high price. This is helpful in doing two things viz. helps in setting a high quality of the product in the minds of the prospective buyers and will also be helpful in recovering the high cost of advertisements and other awareness campaigns undertaken by us. This strategy is apt for us also because there is not much competition in the market with respect to the existing brands. Thus we are planning to introduce the product in a package of three condoms at a price of Rs. 90. This is Rs. 10 lower than the price of condoms supplied by the other brand i. e. Velvet. The rationale of selling the product at a price lower than the existing seller is to attract more customers to our brand once there is sufficient amount of awareness.

## Financials, Budgets and Forecasts

### Sales forecast

Since our product is one about which the consumers do not have much knowledge, hence we are basing our sales forecast on the lines of the existing player in the market, HLL's Velvet. The female condoms made of nitrile were introduced by HLL in 2009 in Delhi and NCR region. We have tried to pick up our products estimates from there. In 2009, HLL had a sales target of Rs. 5 Crore out of which they expected female condoms to contribute around 8-10%. Thus we build up the premise of our sales forecast from this point. The population figures are shown in the following table:

Velvet ( Target- Delhi + NCR)Diva (target-Anand, Vadodara,

Ahemdabad)Population13, 782, 976 (2009)2, 090, 276 + 4, 157, 568+ 5,

570, 585= 11818429If Rs. 5 crore was the total revenue expected from

condoms out of which 10% (assumption) is the contribution from female

condoms, then Rs. 50, 00, 000 is the sales revenue from female condoms.

The price of 1 pack (consisting of three female condoms) is Rs. 100. Thus 50,

000 is the units of female condoms that are to be sold. 1 pack consists of 3

pieces of female condoms. Thus we need to produce 1, 50, 000 pieces of

female condoms.

### Particulars

#### Units

estimated total revenue(Rs)50000000estimated revenue from female

condoms(10%) in Rs5000000actual price of one packet(3 pieces) in

Rs100estimated no. of packets sold50000estimated no. of condoms to be

produced150000

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## Cost Estimation

The cost of distribution is a major cost levied during selling of the product. After deducting the margins that are charged by logistics and retailers the per pack (consisting of three FC) contribution comes out to be Rs. 32.

## Particulars

### Per Unit

(1 packet having 3 condoms) (In Rs.)  
 Sales Price 100  
 Cost of Manufacturing 30  
 Packaging Cost 2  
 Logistics Cost 18  
 Margin of retailer 28  
 Net Margin on 1 packet 32

## Advertising and Sales Promotion

### Particulars (Cost)

### Price in Rs.

Website 0  
 Magazine Advertisement 5,40,000  
 Online Promotion 75,000  
 Total 6,15,000  
 The given cost is for a month and since we're doing promotion strategy of advertisement in the magazine for initial 6 months and then in alternative months i. e. the advertisement in each magazine will be published 9 times in a year while the online promotion will be done throughout the year. So we'll be incurring the cost of Rs. 5,40,000\*9+75000\*12= Rs. 57,60,000. In this calculation our Magazine Advertisement and Online promotion expenses are taken as the deferred revenue expenditures spread over 10 years, hence current year fixed cost comes at Rs. 5,76,000. The cost for website creation is taken as zero because the site (www. Indiatonline. in) which we are using for our website creation gives first 12 months domain registration and hosting free.

## Break-even Analysis

Revenue = Quantity \* Selling Price = 50000 \* 100 = Rs. 50,00,000  
V = per unit variable cost = Rs. 68  
Total Variable Cost = Quantity \* Variable Cost = 50000 \* 68 = Rs. 34,00,000  
Contribution = Revenue - TVC = Rs. 16,00,000  
Fixed Cost = Rs. 5,76,000  
Breakeven Quantity = Fixed Cost / (Selling Price - v) = 5,76,000 / 32 = 18000 packets

## Implementation

All through the implementation phase we shall keep our prime focus on massive distribution and usage of Mohini among the sex workers by the targeted NGOs and NACO. We aim to develop long lasting relations with the target segment to enable that our business keeps growing with effective realisation of the set goals. Besides, we also intend to design campaigns on behalf of these NGOs at a later stage which would further strengthen our terms and help to promote our product more efficiently. There shall be a continuous monitoring system that would evaluate the progress of the plan and keep track of the changes required. Feedback from the target segment shall serve an essential part of assessing our actions. At the same time, we shall keep the plan flexible enough to make adjustments according to these changes in the environment. In the due course of time, when we shall have achieved our targets and have our presence felt in the society we shall go for expansion with inclusion of more number of NGOs. C:

UsersUserDesktopfc\_log.png