

Lux soap marketing project

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



The cluster is divided into five parts starting from A to E. Milliner targets the urban and sub-urban upper middle class and middle class segment of the population, who falls under A to C of SEC. Tactical marketing tools, POPs, are extensively used by the company to market LOX. Though LOX is produced in Bangladesh, Milliner Bangladesh maintains the same standard all around the globe. The product is available in six different fragrances under three different sizes.

Since the demand for beauty soap market is to a great extent oligopolies, variations in price lead to price war which can eventually break down the company's market share. Thus Milliner cannot provide a better price than its competitors. But the price is affordable by most of the people. Milliner Bangladesh has outsourced its distribution channels to third party distributors which allow them to distribute LOX in massive bulks amounting to around ten million pieces. It undertakes the largest promotional activities in the beauty soap industry.

The beauty soap industry has a few major producers of which Milliner holds market share of slightly less than 50%. Other competing brands like Tibet, Aromatic and Key have started to have a strong consumer base, but LOX's product features distribution and promotional stateless have created high brand loyalty for which it is still the market leader. Milliner, with the aid of its heavy promotional activities, has been able to penetrate the market. But the other producers in the industry are posing a threat towards Unlikelier market share as they have moved towards the rural masses of the population.

Therefore, Milliner Bangladesh should undertake further steps such as moving towards the rural and/or poorer segment; attract children (by making a special product for kids) and other Innovative promotional activities to retain its name in the industry. Chapter 1 Introduction . 1 Milliner at a Glance: Milliner is one of the world's largest and leading multinational companies; Milliner commenced their business activities on a larger scale by setting up their first factory in Netherlands, in the year of 1872.

Operating in Bangladesh for over the last four decades the company is trying to bring world class high quality products at the door step of their customers. The usage of Milliner products by over 90% of the people in Bangladesh stands as a testimony to their successful operation.. Their array of products show that they reduce household care, fabric cleaning, skin cleansing, skin care, oral care, hair care, personal grooming, and tea based beverage products under worldwide famous brand names Wheel, LOX, Lifebuoy, Fair & Lovely, Pond's, Close Up, Sunlit, Lipton, Lipton Taiga, Pigeon, All Clear, Vim, Surf Excel, and Reason. . 2 Objective of this report: This report is an outcome of an analysis of marketing strategies used by Milliner Bangladesh Ltd. The main purpose of the report is to find what strategies the company uses to market its world famous beauty soap, LOX, in Bangladesh; the positive and negative aspects of those strategies. The report further analyzes the position of Milliner Bangladesh Ltd. in the toiletry industry in comparison to its competitors. The report discusses the process of using market segmentation, target marketing, the product, pricing, promotional and distribution strategies and a competitive analysis. . 3 Methodology of this report: For accessibility and availability of information we have chosen to

work on the strategies of Milliner Bangladesh Ltd. As the company operates in the market with a huge number of products in different industries, we have decided to focus on one of their world wide successful brands, LOX. Most of the information used in this report is from primary sources. The main source of information was the focus group discussion. In addition information was also collected from websites.

Chapter product Category, Market Segmentation, Target Marketing and Postpositions chapter describes the category of the selected product. The chapter is organized into four sections. Section 1 states under which category the product falls. Section 2 describes how Milliner Bangladesh Ltd. Differentiates the population and categorizes them into different segments. Section 3 analyzes which segment the many targets and why they target that specific segment. Finally section 4 describes the process through which the company tries to capture a place in the buyers mind I. . The product positioning method.

2. 1 Product Category: LOX falls under the category of toiletry product as a beauty soap.
2. 2 Market Segmentation: The company claims that LOX is the highest selling beauty soap in Bangladesh. Moreover some survey reports also reveal the same result. Though LOX is the highest selling beauty soap in Bangladesh, it does not go for traditional mass marketing. Moreover as a beauty soap LOX does not even segment TTS market according to gender. Urban and rural area consumers.

The company further differentiate the geographical segments according to Socio Economic Cluster (SEC) I. E. Education and Income. The SEC divides the population in five segments starting from A to E, where A categorizes the

highly educated and high income earners holders, and sequentially in descending order E categorizes the opposite. 2. 3 Target Market: urban and sub urban middle class, and rural poor people are the largest part of Bangladesh population. A research carried out by Milliner Bangladesh bevels that urban rich people are more likely to buy imported and expensive products.

Moreover rural poor people tend to buy cheap products even without evaluating its quality. However urban and sub urban upper middle and middle class people tend to buy affordable and quality products. LOX is not a highly expensive but an affordable product. That is why the company targets urban and sub urban upper middle and middle class people who are the second highest population of segment of the country. From the segmentation of customer according to SEC they target category A, B and C, because they are assumed to be financially well-off and can afford to buy LOX. . 4 Product Positioning: Milliner Bangladesh Ltd obtained a good position in the buyers mind through better product attributes, price and quality, offering the product in a different way than the competitors do. The company offers improved quality of products in the industry at an affordable price with high branding, which ultimately helps to position the product in the buyers mind as the best quality beauty soap. The market share of the company in the beauty soap industry is somewhere around 43%.

Since in the beauty soap industry all products are of same price Milliner cannot revived its consumers with better price but it is in a great position in reference with its packaging, fragrances and product designing. A positioning

map of the company is shown Figure 2. 2 (P-10) to describe Lulls position in the consumers mind on two dimensions, price and quality. It states that though in comparison to its competitors the pricing of LOX is same but consumers rate it as the product which gives them the highest quality.

This positioning created a strong customer loyalty for LOX, for which it the market leader in the industry. Chapter signing the Tactical Marketing Tollbooths chapter describes the way Milliner Bangladesh Ltd. SE the tactical marketing tools for marketing LOX in Bangladesh. 3. 1 Product: LOX is an internationally renowned beauty soap brand of Milliner. Though manufactured in Bangladesh for the local market by Milliner Bangladesh Ltd, as an international brand, it maintains an international quality for the product.

Formula given by Research and Development departments in foreign countries, LOX is produced in Bangladesh from imported raw materials like sodium soap, glycerol and different extracts according to flavors, coming from Milliner plants situated abroad. LOX is offered in Bangladesh in six different flavors which are: LOX Energize Honey, LOX Golden Glow, LOX Nature Pure, LOX Orchid Touch, LOX Almond Delight and LOX Aqua Sparkle. Taking into account the convenience of its customers, the company manufactures all flavors of LOX in three different sizes, GM, GM and GM. 3. Price: Though Milliner Bangladesh gives its LOX customers a lot in terms of the product itself, it cannot provide a better pricing. This is due to some constraints in the beauty soap industry. Beauty soap is a product with a vulnerable demand in Bangladesh. A change in price has a high risk of

creating price war among the rivals which will eventually cause a loss of profit. Its prices are almost equal to its competitor. Company carries out research on competitors price and brand loyalty when it feels extreme necessity of changing price. The brand loyalty test is an exploratory research which is known as Brand Health Check-Up (BACH). . 3 Place: Milliner Bangladesh Ltd. Has a huge distribution channel for LOX all over the country as its sales reach more than 10 million pieces a year. The company has six huge warehouses, one in each division of Bangladesh, where the product goes after they are manufactured at Gallagher factory. The company does not use its own fleet of transport for distributing its product. However, it has outsourced its distribution process to various third party distributors, exclusively dedicated to Milliner Bangladesh Ltd. These distributors then supply the product all over Bangladesh to a huge number of retailers.

Even though LOX targets the urban and sub urban middle and upper middle class people they are distributing their products all over Bangladesh because of a recent increase in demand of its product to all segments of the population. 3. 4 Promotion: Milliner Bangladesh undertakes huge promotional activities to remote LOX which has topped the beauty soap industry of Bangladesh. It spends almost 20% to 25% of its Net Proceeds from Sales (NAP) of LOX for promotional activities for LOX 1 Its certain annual promotional campaigns like LOX Channel I Superstar and LOX Channel I Annual Cinema Awards has made the product a part of the glamour world.

Since the sass, over 400 of the world's most stunning and sensuous women have been proudly associated with Lox advertisements. They do not only

promote LOX in Bangladesh for the beauty conscious females, it also famous male celebrity Shrunk Khan for their advertising campaign. Milliner Bangladesh Ltd spends a huge amount of money for promoting LOX through TV commercials, newspaper advertisements and billboards. Moreover it also undertakes small promotional campaigns at different schools, colleges, universities and recreational parks with winners of its Zonal Beauty Contests.

Till now promotional activities of LOX has always been successful which has made it a household common name and helped it reach almost one billion take sale value in the year 2004 2. Chapter analyzing the Market for Luxury better comprehension of Milliner Bangladesh, its marketing strategy, product quality, positioning and placement, we resent here a comparative analysis of its competitors. This part of the report illustrates the market share of different companies in the beauty soap industry. 4. Market Share: The beauty soap industry in Bangladesh consists of only seven major producers. Milliner Bangladesh Ltd is operating in the industry with its world famous brand LOX. Out of these giant companies Milliner Bangladesh Ltd is the market leader with a share of around 43%. Market share of all the companies in the sector. Milliner Bangladesh Ltd is leading the market. The other competitors are very competitive among themselves but they Anton put a intense competition with Milliner Bangladesh Ltd, as they have market share much less than Milliner Bangladesh Ltd.

Other companies in the industry are not as big as Milliner Bangladesh Ltd but they are posing threat to the company by a tendency of a gradual increase in their market share. Chinook Chemicals which is operating with the brand

name Tibet is an extremely famous brand to the rural segment of the population and possess a significant share in that segment which is the largest population group in Bangladesh. Moreover Key Cosmetics Ltd operating with the brand name Key and Marks & Allays Ltd operating with the brand name Aromatic are also uprising brands to both the rural and sub urban segment of the population.

Moreover a recent takeover of Aromatic by multinational consumer product giant MARINO who operates with famous brands in other industries like Parachute Coconut Oil is posing to be a threat to Milliner Bangladesh market share. Chapter conscientiousness beauty soap industry of Bangladesh consists of a few producers in the industry. The demand for this product is very much vulnerable in terms of pricing. Milliner Bangladesh is providing LOX. At a price which is affordable o most of the people in the country.

Beauty soap is an uprising product in Bangladesh as a greater portion of the population, both male and female, are now getting more beauty conscious. As a multinational company Milliner Bangladesh With six different fragrances, three different sizes, international standard and high quality design, as a product, LOX has been highly successful over the years. Its distribution process is highly efficient. Its promotional activities, like the beauty contest has been a milestone in attracting a huge number of customers. Overall with its marketing activities LOX has been a successful brand.

The only place where rival companies are progressing is in giving customers redemption offers. Research revealed that Bangladesh customers are highly

attracted to this sort of offers. These offers are not sustainable in the long run but still it takes away a considerable part of Lulls sale in the short run. Chapter recommendation this chapter the team would suggest some recommendations to Milliner Bangladesh Ltd. To adopt more successful operation in Bangladesh. Since a huge portion of the rural poor people is demanding LOX in recent days, Milliner Bangladesh Ltd should expand their target market also towards he rural people.