

- N.B.:** (1) Section I is compulsory and carries 20 marks.
 (2) In Section II answer **any four** questions out of six. Each question carries 10 marks.
 (3) Write both the sections in one answer book.

Section I

(20 Marks)

1. Indian Home products Ltd. (IHPL) is a leading manufacturer of consumer products with factories at Bareilly and Nasik. The company is presently engaged in the production of soaps, detergents and cosmetics. Its detergent powder, dual action "Dazzle", has market share next to Surf and Dettol. The company is also manufacturing the best seller range of cosmetics for women under the brand name 'Intimate' in agreement with Revelon Inc Paris. IHPL has a large distribution network covering all the major towns with a sales force that services about 60,000 retail outlets all over the country.
- In April 1977, Roger Almedia, Vice President Marketing of IHPL considering the proposal of adding new products to the company's already successful product line. The product under consideration were mosquito repellents, optical whiteners, hair-removers, hair dyes and liquid shampoo. In a previous meeting with the Chief Executive and the other marketing personnel, liquid shampoo was singled out as one product which deserved a closer look in view of its fast acceptance and growth in the Indian market. Mr. Almedia felt a review of this market for the period January-December 1976 based on ORG retail audits would provide useful insights.

MARKET BACKGROUND

The all India shampoo market in 1976 was estimated at 1382 Kls. with a growth rate of 6.6 per cent over the previous year. Of the four zones which constitute this market, the north zone is the largest followed by the east zone with 39 per cent and 28 per cent share of the total market respectively. While the north & east zones show positive growth rate, the market for shampoo declined sharply in the west and south zones.

There were over a dozen brands in the market but almost 95% of the market was held by seven major brands. Among these the leader was Tata Shampoo with the marketing share of 30%. The remaining 70% was mostly accounted for by Halo, Tiara, Gleem, Sunsilk, Clinic and Ponds. While Tata Shampoo was an oil-based shampoo, all the others were non-soapy detergent (NSD) shampoo. The cost of production for oil based or soapy shampoos being much lower, Tata Shampoo was priced at less than 50 per cent than that for NSD shampoos.

Most brands except Halo showed increase in consumer off-take over the previous year. Tata Shampoo showed a growth of 1.6 per cent. Sunsilk and Clinic registered an increase of 10-11 per cent.

Almost 52 per cent of the total off-take of shampoo was from the metros, 32 per cent of off-take was from Class I towns, while class II, III and IV towns accounted for the remaining 16 per cent.

All brands except Tata's, offered more than the variety to the consumer. There were four brand varieties that were currently popular in the market, viz. Egg, Beauty, Tonic and Lemon. This 'cosmetic etc., under beauty, 'concentrate', 'Shikakai' herbal shampoo. Though offered by only two major brands (Sunsilk and Tiara) is showed promising trends in taking off.

One explanation for this could be the 'natural' properties associated with "Shikakai" as compared to other shampoos which were believed to contain chemicals. Mr. Almedia wondered whether this could be the reason for the popularity of Tata Shampoo which was claimed to be formulated from coconut oil. In fact "Shikakai soap", a shampoo soap has proved to be quite popular among certain segments of consumers. Clinic, Halo Hairguard and Tiara's Ban Dan were anti-dandruff shampoos. While Clinic was already established, the other two brands were recent launches. In certain states, dandruff was a major problem and therefore the sale for Clinic was quite substantial. Hindustan Lever had given Clinic a medicated image as compared with Sunsilk which is being promoted on a cosmetic platform.

COMPETITIVE CLAIM

A study of the advertising claims of major brands showed that most brands promised the buyers soft, silky, shining, manageable, beautiful hair. The benefits promised for different varieties were:

Egg	For protein nourishment of hair
Beauty	Add luster to normal hair
Lemon	For greasy hair, removed excess oil
Tonic	Gives body to brittle hair and for economy.

CONSUMER SURVEY

Mr. Almedia felt that the shampoo market in India did have certain characteristics. That the market has grown considerably over the years was evident from the growth of competition and the multiple varieties offered. But the question was to what extent was the consumer aware of these varieties, their benefits and whether it did actually affect brand choice. He, therefore decided to conduct a short survey in Mumbai to substantiate his earlier findings. It was felt that the actual decision maker and purchaser in most cases were female and therefore the survey was confined to housewives in Mumbai.

The main findings of the survey were as follows:

1. 57 per cent of the total respondents were shampoo users.
2. 27 per cent of shampoo users were using Tata Shampoo, 23 per cent Halo, 15 per cent Sunsilk and 12 per cent Tiara.
3. When asked what they liked about the brand they were using, perfume, lathering quality and cleaning properties were mentioned as important qualities.
4. An age wise and income wise distribution of shampoo users and non-users showed interesting trends.
5. Tata Shampoo was more popular among the lower spectrum of shampoo users and among older housewives.
6. Most non-users felt that shampoo contained chemical properties that led to graying and loss of hair. The majority of non-users were using Shikakai soap (manufactured by Swastik Household and Industrial Products) to wash their hair.
7. Respondents were shown a card which listed ten important qualities in a shampoo and asked to rate them on a five point scale. 'Makes hair clean' was rated most important with a mean score of 4.7. 'Clears dandruff' was second with 4.5. Other factors considered important were 'makes hair shining', 'makes hair look healthy' and 'makes hair smooth and silky' (all between 4.3 and 4.4).
8. Egg appeared to be the most popular variety followed by beauty, tonic and lemon in order of preference.
9. An attempt to study brand switching behavior among consumer revealed that (i) shift was more from Tata to other shampoos, (ii) most people who shifted from non-shampoo products to shampoo had moved to Tata Shampoo.

Questions :

- 1) Should IHPL launch a new liquid shampoo? What are your feelings regarding the growth of this market in the future?
- 2) Do you think the shampoo market is composed of different segments? What are their unique characteristics?
- 3) Prepare a marketing plan taking into consideration all factors affecting a product (exbrand name, varieties etc.)
- 4) Study current shampoo advertising. Based on your observations, develop a new and meaningful USP for a liquid shampoo.

SECTION - II

- 2) Enlist the strategies available in 'Tooth Paste' market for leaders?
3. Discuss the five force model prescribed by Michael Porter, with reference to "Small Car (2- 5 Lakhs) market" in India.
4. Explain the concept of (STDP) with the examples of :
 - a) Videocon - Mobile services
 - b) Videocon - LCD TVs
5. Discuss the importance of pricing strategy in overcoming competition in present business environment with suitable examples?
6. Explain the process of formulating Marketing Strategy?
7. Write short notes on **any four** of the following :-
 - 1) Product Strategy
 - 2) GE Matrix
 - 3) Internet Advertising
 - 4) Igor Ansoff Model.