A Review of Soaps and Detergent Industry
A REVIEW OF SOAPS AND DETERGENT INDUSTRY

Soap and detergents are used very commonly in our daily life. We use them for washing clothes. Soap and detergents industry is a pretty old industry. Soap and detergents industry include products for washing, viz laundry soaps and synthetic detergents. These are consumer items. Technology, quality, marketing & distribution network determine the success of the units in this sector. The industry has developed both in the small-scale sector and the organized sector; yet 90% of production of laundry soap is in the small scale sector. Two critical raw materials are required for the production of laundry soaps. Nominal investment is sufficient for this industry as it involves simple methods of processing and manufacturing of various types of soap and detergents. In this chapter a review is made of growth and the likely future of the Indian soap and detergent industry.

BACKGROUND AND DEVELOPMENT

The origin of personal cleanliness dates back to prehistoric times. Since water is essential for life, the earliest people lived near water and learnt on its cleansing properties.

Soap got its name, according to an ancient Roman legend, from Mount Sapo, where animals were sacrificed to appease the gods. The mixture of decayed animal fat and wood ash that ran down to the clayey soil close to the river was found to make washing easy for women inhabiting the area. According to the medical document Papyrus, soap-making dates back to about 1500 BC, and that a combination of animal
and vegetable oil with alkaline salts was used to form a soap-like material.\footnote{www.chemistry.co.nz/deterghistory.htm} In ancient India too, people used soap preparations made from plant or animal fats. Soap was made by boiling tallow (or other hard animal fat) or vegetable or fish oil in an alkaline solution.

Modern technology has led to the evolution of synthetic detergents that have gradually replaced soaps. Earlier, detergents were used chiefly for hand dishwashing and fine fabric laundering. This was followed by the development of all purpose detergents for laundry introduced in the United States of America in 1946. Table 2.1 shows the formulations and common uses of soaps and detergents.

**Table 2.1**

**Formulations and uses of soaps and detergents**

<table>
<thead>
<tr>
<th>Category</th>
<th>Formulation</th>
<th>Purpose: washing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soap</td>
<td>Bar</td>
<td>Clothes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Body</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hands</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dishes</td>
</tr>
<tr>
<td></td>
<td>Flakes</td>
<td>Clothes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hands</td>
</tr>
<tr>
<td></td>
<td>Liquid</td>
<td>Hands</td>
</tr>
<tr>
<td>Detergents</td>
<td>Powders</td>
<td>Clothes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dishes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Hands)</td>
</tr>
<tr>
<td></td>
<td>Bars</td>
<td>Dishes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clothes</td>
</tr>
<tr>
<td></td>
<td>Liquids and pastes</td>
<td>Dishes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Household surfaces</td>
</tr>
</tbody>
</table>

\footnote{www.chemistry.co.nz/deterghistory.htm}
In general, the more evolved the market, the more species of soap products are found in the household of consumer. Hence in a developed country special soaps or detergents are used for washing colored, white, as well as delicate clothes, dishes, hands, windows, floors, toilets, kitchen surfaces and carpets. Special varieties of soaps are used for bathing, showers and shampooing of children, babies, teenagers and adults. In emerging markets one or two types of soaps may serve all of the above purposes.

Hence, by definition, soap is a cleansing product created through a chemical process of combining fat or natural oil with an alkali (such as wood ashes, lye and chemicals) under controlled conditions. Factories producing soap were developed in France and Italy, where olive oil was plentiful and was used as the main ingredient throughout the 16th, 17th and 18th centuries. In the nineteenth century, palm oil began to replace olive oil in the formulations. Even in the twentieth century, quite a few manufacturers continued to make soap by boiling fats and lye to produce soil cakes.

In the United States, 1837 marks an important year. The duo, William Procter and James Gamble established a candle and soap making business. Their company, Procter & Gamble grew into one of the foremost soap and detergent manufacturing company in that country. The company’s famous “Ivory” soap bar was first introduced in 1882. Lever Brothers, another major soap and detergent company offered “Lifebuoy” and “Sunlight” soap bars in 1895.

Detergents, although similar in function to soaps, differed from them chemically. Detergents were made from other raw materials like petroleum products and jelly acids.
They often contained additional ingredients such as fluorescent whitening agents, corrosion inhibitors and control agents like nonchloric bleaches, colorants, varieties of fragrance, enzymes, blueing and processing aids.

**The market for soaps**

Soap is generally classified as a staple commodity alongside detergents. It also figures in the bathing and personal care market. Only rarely, statistics for soap is directly separable from those for detergents or toiletries.

Recent market analysis by Euromonitor(2000) showed that in 1999 soaps and detergents together represented around 12.4% of consumer expenditure in household goods of industrialized countries and between 2.6 and 5% only in the developing countries. Statistics and market data for soap and detergents are quite readily available for the markets of North America and Europe besides other key areas of Australia and Japan. There is only minimal information on sales of soap in less developed regions such as Africa, the Middle East and a few pockets of Asia.

The world market for soaps and detergents was worth US $ 88 billion in the year 2000. Asia, Western Europe and North America account for about 87% of the total soap and detergent consumption. This is illustrated in figure 2.1
The US market continues to dominate in the world, although the Japanese market has grown significantly during the period under review. Sales of soaps have received a strong impetus in China due to its recent economic development. The Indian market has also grown significantly, largely due to the reduction in rates of excise duty on soap and detergents in 1995. Effectively, that year witnessed a 100% jump in production and sales.

**Markets in the developed countries**

The world market for soaps and detergents has continued to experience steady growth since 1995, with retail sales increasing from US $ 68.4 billion in 1996 to US $ 88.2 billion in 2000. The market comprises soaps, products for washing fabric, dishwashing and household cleaning. The greatest growth came from soaps with an

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2 Mintel Keynote, 2000
increase of 21% over the same period. The market was characterized by growing maturity and fierce competition among major brands. Market expansion has been attributed mainly to the development of new products, such as liquid soaps, supported by heavy media advertising and promotional activity by the manufacturers of major brands.

Traditionally bar soaps, which are considered a ‘mature’ category, exhibit very low growth. Newer products like liquid detergents and powders and products such as antibacterial and natural soaps still present ample opportunities for growth.

Bar soaps continue to dominate in the sales. Yet, soap powders and liquid detergents are not far behind. It may not be momentary - and thanks to splashy introduction of varieties, sample, coupons and promotional activities they are catching up. But they are higher-priced products and budget-minded consumer may not be quite willing to pay for in the long run.

Fierce competition and heavy promotion - particularly coupons & multi packs- remain the characteristics of the market for bar soaps and enjoy the position as a leader.

Detergents, liquid and soap powders are experiencing a period of strong growth. They will continue to enjoy this high growth in the coming few years, given their high level of marketing support and small sales-base. It is yet questionable whether consumers, who are price-sensitive and traditionally bar soap users will switch to more expensive liquid and powder soaps or detergents for their daily use.

Success in any market, always, boils down to delivering what the consumer demands. Consumers are today looking for milder soaps and detergents. They are also preferring to products that possess fragrance. They are also looking for in the speciality-
segment soaps using vegetable-based fats. They prefer a mild soap and are increasingly well aware of products and are selective in their purchase. Consumers seek for healthy, natural, and eco-friendly, vegetable formulations, attractive packaging, pleasing shapes, colors, and fragrance. They are also looking for a long-lasting product like bar soaps that will retain its shape. In essence, consumers are looking for values.

The soap market in developing countries

The market for soap and detergents is growing much faster in developing countries than in developed countries, as it should be.

Wide and growing income differences exist in developing countries and each segment of the population consumes the products it can afford while aspiring to a better product for a future date. This, together with the increase in population has been the motivation for the soap industry.

Chart 2.2

Income pyramid in developing countries (based on annual income in 1998-2000)

Source: derived from UN statistical yearbook (2000)
The highest income group (more than US $ 2250 per annum) showed an increase of between 10-20% in the decade 1990-2000. This was the group which consumed the most expensive or premium soaps. The premium soap products were well received by the top 20% (Middle-middle, Upper-middle and High income segments), while the less expensive products were used by the majority of 80% of people (30% by lower middle and 50% by low income groups).

Detailed breakdown of trends in developing and emerging markets in Latin-America, Asia, Africa and the Middle East, Central and Eastern Europe are given below.

**Latin America**

There had been a 20% growth in the sales of soaps and detergents in the last five years. There was heavy investment in the development of new product, their launching and advertising. Greater competition led to fall in prices and increasing consumption as soap became more affordable. The major multinationals in Latin America are Unilever, Colgate Palmolive, Avon, Procter & Gamble.

**Asia**

With the majority of the population living under the poverty line, low cost items such as the bar soap, form the dominant sector of the market. In terms of population size, there is a huge market potential. As income increases, consumers go for more expensive types of soap. Unilever is the dominant player in the region. Procter &Gamble, Colgate Palmolive and Johnson & Johnson are also active in this region.
Africa and the Middle East

Unilever dominates the market in Africa. In West Africa, market penetration of soap is estimated at 98%, due to strong hygiene habits and a large raw material base. Production tends to be localized for economic reasons. Manufacturing soap locally is strong in rural areas, with 10 to 15% of soap manufactured through local enterprises rather than multinationals.

In the Middle East, Unilever, Procter & Gamble, Colgate Palmolive, Shiseido, Kao Corporation, Lion and Johnson & Johnson are the key players.

Central and Eastern Europe

In 1999 total consumption of soap was estimated at US $ 222.2 million. The potential market is estimated at about US $ 663.8 million. Initially, as soap was imported from the West, response was enthusiastic, but this has slowed due to drastic reduction in spending power of consumer.

SOAP PRODUCTION AND PROMOTION IN THE GLOBAL MARKET

The global soap market is dominated by a small number of multinational companies. Soap is only one sector of their product range. In multinational companies such as Unilever and Procter & Gamble, soap and detergent account for less than 20% of the total turnover.

Major costs such as research and development and advertising can be spread across the whole structure of a company. In the developed countries, these multinationals face stiff competition from the major supermarkets who are increasingly introducing their
own-brand products. In the developing countries, the competition to the multinationals is from local companies, and from small producers who sell in markets on a house to house basis. The largest soap and detergent company is the Unilever Group and which has strong presence in all regional markets in the world.

Table 2.2 lists the top 20 companies dominating the global soap and toileteries industry. In terms of value, recent acquisitions have slightly altered the positions among the top ten leading players.

### Table 2.2

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
<th>% value of world</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unilever</td>
<td>10.07</td>
</tr>
<tr>
<td>2</td>
<td>Procter &amp; Gamble</td>
<td>7.41</td>
</tr>
<tr>
<td>3</td>
<td>Gillete Group</td>
<td>7.66</td>
</tr>
<tr>
<td>4</td>
<td>Colgate Palmolive</td>
<td>4.5</td>
</tr>
<tr>
<td>5</td>
<td>Johnson &amp; Johnson</td>
<td>4.45</td>
</tr>
<tr>
<td>6</td>
<td>Shiseido</td>
<td>4.32</td>
</tr>
<tr>
<td>7</td>
<td>Estee Lauder</td>
<td>4.21</td>
</tr>
<tr>
<td>8</td>
<td>Revion</td>
<td>3.42</td>
</tr>
<tr>
<td>9</td>
<td>Wella</td>
<td>2.27</td>
</tr>
<tr>
<td>10</td>
<td>Henkel</td>
<td>2.27</td>
</tr>
<tr>
<td>11</td>
<td>Kanebo</td>
<td>2.13</td>
</tr>
<tr>
<td>12</td>
<td>LVMH</td>
<td>1.94</td>
</tr>
<tr>
<td>13</td>
<td>Avon Products</td>
<td>1.91</td>
</tr>
<tr>
<td>14</td>
<td>Kao</td>
<td>1.88</td>
</tr>
<tr>
<td>15</td>
<td>Reckitt – Benckiser</td>
<td>1.88</td>
</tr>
<tr>
<td>16</td>
<td>Beiersdorf</td>
<td>1.56</td>
</tr>
<tr>
<td>17</td>
<td>Amway</td>
<td>1.55</td>
</tr>
<tr>
<td>18</td>
<td>Mary Kay</td>
<td>1.54</td>
</tr>
<tr>
<td>19</td>
<td>Coty</td>
<td>1.49</td>
</tr>
<tr>
<td>20</td>
<td>Lion</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Promotion and branding

The top soap manufacturers have huge advertising budgets at their command. Unilever is the number one in spending on advertising globally. Table 2.3 gives an indication of the scale of the advertising budgets available to some of the top multinationals and their subsidiaries.

Table 2.3
Advertising expenditure in 2000

<table>
<thead>
<tr>
<th>Multinational Company</th>
<th>Global advertising expenses ($US)</th>
<th>Advertising expenses outside USA ($US)</th>
<th>Position in the world of advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unilever</td>
<td>3.7 billion</td>
<td>3.1 billion</td>
<td>1</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>4.7 billion</td>
<td>3 billion</td>
<td>2</td>
</tr>
<tr>
<td>Colgate Palmolive</td>
<td>725 million</td>
<td>591 million</td>
<td>21</td>
</tr>
<tr>
<td>Gillette</td>
<td>408 million</td>
<td>243 million</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subsidiary company</th>
<th>Total Expenditure</th>
<th>Position in India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindustan Lever</td>
<td>241 million</td>
<td>1</td>
</tr>
<tr>
<td>(subsidiary of Unilever)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procter &amp; Gamble India</td>
<td>38.6 million</td>
<td>2</td>
</tr>
<tr>
<td>(subsidiary of Procter &amp; Gamble)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adbrands.net (www.mind-advertising.com 23 jan 2002)

Multinational companies advertise through television, radio, the internet, in print, posters, direct mail, through sponsorship and public relation campaigns. In 2001, Unilever doubled its spending on on-line advertising.3

Despite the increasing number of brands and products in the global market, established brands from the key global players such as Unilever and Procter & Gamble are proving difficult to displace. Though these manufacturers’ brands are more expensive than national brands, consumers seem to prefer familiar and trusted brands.

3 http://www.unilever.com/br/co_ga.html
Corporate focus: Soaps and detergents

In most of the European, North American and in the Japanese markets, soaps are in the matured stage of the product-life cycle, with the result that brands can grow only by capturing sales from competing brands. The major soap companies have realized that the soap markets in the developing countries are at various stages of growth in the product life cycle. The evolution of soap marketing strategies in the emerging markets has been facilitated by a number of factors. These include:

- the emergence of more discriminating and educated consumers
- innovative research and development for new raw material and finished products
- growth of supermarkets and retail outlets
- growth of the media, especially the television.
- improvement and increases in transportation and communication networks including mobile phones and the internet.
- high speed packaging machines and attractive packaging materials.
- state of the art technology to enhance productivity and reduce costs.
- choice of talented advertising and market Research agencies and
- liberalization of markets and growth in free trade.

Soap manufacturers start their marketing strategy by first identifying whether a marketing opportunity and potential exists. They then proceed to determine whether to target the mass market or a niche market and position their products accordingly. When the market is crowded, companies try to differentiate their products by new forms or new packaging or sales promotion techniques.
With the increase in both domestic and global competition, companies are forced to deal with and reconcile to two conflicting elements in marketing strategy—namely profitability and the market share. Greater market share involves higher marketing costs and lower profitability. In India, the share of Hindustan Lever in the soap and detergent market was dented severely by the Nirma (an Indian and privately owned company) strategy of developing a product especially for the poor, until Lever managed to develop its own product to match the competition.

**Soaps and detergent industry in Asia**

Basic products like bar soaps remain dominant in Asia, as the bulk of consumers in most markets earn low incomes and only buy low-cost items. However, this situation showed signs of change over the past three years with the bar soap increasing in value from 68.2% to 72.1%. This was due to consumers at the lower end of the market trading up to more expensive types of soaps as their average income increased. Liquid soaps became increasingly popular until the economic crisis in 1997 made the consumers to economize. The popularity of liquid soaps and detergents is due mainly to their hygienic packaging.

The regional market presents tremendous opportunities to the soap manufacturers in terms of their share to cater the needs of population. With India’s population officially exceeding one billion at the end of the last century and over 1.5 billion in China, the majority of them living below the poverty line, appropriate marketing strategies were needed to turn this region into an area of advantage for the industry. The Table 2.4 shows the market share of major players in South Asia.
Table 2.4
The market-share of major players in south Asia, for soaps

<table>
<thead>
<tr>
<th>S. No</th>
<th>South Asia</th>
<th>% value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unilever</td>
<td>45.0</td>
</tr>
<tr>
<td>2</td>
<td>Colgate Palmolive</td>
<td>7.4</td>
</tr>
<tr>
<td>3</td>
<td>Nirma</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Godrej</td>
<td>3.2</td>
</tr>
<tr>
<td>5</td>
<td>Revlon</td>
<td>2.9</td>
</tr>
<tr>
<td>6</td>
<td>Procter &amp; Gamble</td>
<td>2.8</td>
</tr>
<tr>
<td>7</td>
<td>Reckitt – Benekiser</td>
<td>2.5</td>
</tr>
<tr>
<td>8</td>
<td>Fern Care Pharma</td>
<td>2.3</td>
</tr>
<tr>
<td>9</td>
<td>Johnson &amp; Johnson</td>
<td>2.0</td>
</tr>
<tr>
<td>10</td>
<td>Kanebo</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: Euromonitor(2000)

Soaps and detergent Industry – The Indian scene

In ancient India too, people used soap preparations made from plant or animal fats. Modern technology has provided synthetic detergents that have slowly replaced soaps. The detergents were used chiefly for hand-dishwashing and laundering of fine fabric. This was followed by the development of all purpose laundry detergents introduced in the U.S in 1946. Today the detergent market is a highly competitive one.

EVOLUTION OF THE INDIAN DETERGENT MARKET

The earliest companies to manufacture detergents in India were Hindustan Lever Limited (HLL) and Swastik. HLL marketed Surf between 1956 and 1958 and began manufacturing it from 1959. Swastik launched Det, a white detergent powder in 1957.

By 1960, Det had made rapid inroads in eastern India. Surf, a blue detergent powder, became the national market leader with dominant positions in west, north and...
the south. In the early 1960s, the total volume of detergents manufactured in India grew from around 1600 to 8000 tonnes. HLL dominated the market with a share of almost 70%, compared to Det’s 25%. In 1966 another player entered the fray. Tata Oil Mills Company (TOMCO) launched its detergent powder ‘Magic’.

In 1973, TOMCO introduced ‘Tata’s Tej’ in the low-priced segment. TOMCO unveiled another economy detergent powder called ‘OK’ in 1977. Other products to join the band were Godrej’s Key(1977) and Detergents India Ltd’s Sixer(1978).

The mid 70’s witnessed a worldwide increase in crude oil prices, which increased the input costs for detergent powders. This resulted in a sharp rise in the prices of detergents. The price of Surf almost doubled in 1974-1975. Despite such a sharp price-rise, Surf continued to be the market leader in terms of value and volume, commanding a price premium of almost 40% over Key and Sixer. It was in the late 1970’s that leadership position of HLL was challenged by a low priced detergent “Nirma”.

For a long time there were only two major players in the laundry soap segment. HLL’s Sunlight sold both for personal-wash and fabric-wash had been present in India since 1988. The other branded product was TOMCO’s ‘Tata 501’. In 1968, TOMCO launched a detergent cake ‘Bonus’. HLL competed with its Rin bar in 1969. In 1971, Swastik converted its Det powder into a detergent cake. Detergents India Ltd, also entered the segment in 1977 by launching Regal bar soap. It introduced in 1980 another brand called Chek, in both powder and cake form. By 1978, the cake segment caught up with the powder segment in terms of volume.
THE INDIAN FABRIC-WASH MARKET

Today the market for products for fabric-wash is a highly fragmented one. There is a sizeable unorganized sector. Of the 23 lakh tonnes of market share, laundry soaps and bars made from vegetable oils accounted for around seven lakh tonnes with synthetic detergents making up the rest. Detergent cakes accounted for 40%, while in powder form the rest. Washing powders are categorized into four segments- economy (selling at less than Rs 25 per kg), mid-priced (Rs 25 to Rs 90 per kg) premium (Rs 90 to Rs 120 per kg) and compact (Selling at over Rs 120 per kg).

The Compact, Premium and Medium priced segments together accounted for 20% of the share by volume and 35% of the share by value. The economy segment made up the remaining lion’s share of the market. The fabric-wash industry in India is characterized by low per-capita consumption, especially in rural markets. The major players in the Indian detergent market are HLL, Procter & Gamble, Nirma, Godrej and Henkel. Apart from these major players there are numerous other local brands available in every state.

Today, India has a diverse range of detergents available off the shelf. The annual consumption of detergents in India is in the magnitude of hundreds of thousands of tonnes. The formal sector with its increasing ability to influence consumers through advertisements is expanding its market aggressively. The detergent market has evolved into a highly competitive one where a myriad brands vie with each other to get the attention of the customer. Each brand claims to clean whiter, boasting of technologically dubious terms such as “fighting granules”, “power pearls” etc.

4 Consumer voice, March-April 2001
Manufacturers of Soap and Detergent

The industry manufacturing soap and detergents, comprises of about 700 companies with a combined annual revenue of $17 billion. Major companies in the consumer sector include divisions of Proctor & Gamble (P&G), Unilever and Dial. Major companies in the commercial sector include division of Ecolab and US Chemical. The industry is highly concentrated. The top 50 companies hold almost about 90 percent of the market share.

Competitive Landscape

Population growth, particularly households with children, drives the demand for the consumer sector. The profitability of individual companies depends on the efficient manufacture, distribution, effective sales and marketing. Large companies have scale advantages in purchasing, manufacturing, distribution and marketing. Small companies can compete effectively by offering specialized products, providing superior customer service or serving a localized market. The soap and detergent industry is profoundly lucrative with excellent market potential as well as bright scope for the future. In order to meet the requirement of market demand, many more new units are recommended to be established on small and cottage scale. This is because only nominal investment is required for this industry, adopting simple methods of processing for manufacture of various types of soap, detergents and acid slurry.

Industry Snapshot

The soap and detergent industry faced stiff competition during the early 2000’s. By the turn of the century, however, liquid detergents were outpacing powders, capturing
nearly three quarters of the overall market by 2003. In addition to environmental and health questions, societal transformation propelled changes in the soap and detergent industry in 2000. Among the numerous factors presenting challenges to detergent formulators the following are important.

1. the need for improved sanitation
2. the increasing number of women working outside their homes.
3. the development of time-saving washing machines
4. the trend towards using less energy by lowering wash duration
5. the need to conserve water and
6. the changes in textiles and other cleanable surfaces.

Detergent modifications were also spurred by technical innovation, such as bleach additives, better optical brightness and improved technologies to remove stains. Companies packaged their products differently to meet the needs of specialized users such as households with infants or men performing tasks traditionally associated with women’s roles. To meet the need of various market segments, the industry introduced a proliferation of brands and varieties. For example, a typical large supermarket might contain more than 40 varieties of laundry detergents in the form of liquids and powders.

SOME IMPORTANT COMPANIES IN THE INDIAN MARKET:

HINDUSTAN LEVER LIMITED (HLL) is India’s largest fast-moving company of consumer goods. It is a leading player in home and products for personal care, foods and beverages and specialized chemicals. It has achieved the market leadership in soaps & detergents (Surf). The leading business magazine, Forbes Global
has placed Hindustan Lever at the top among the best companies manufacturing consumer products worldwide.

Surf Excel is a pioneer in the Indian detergent powder market. Surf Excel is available in 3 variants.

- Surf Excel Blue
- Surf Excel Quick Wash
- Surf Excel Automatic

Rin was launched in 1969 and has become a household name in India. Over the years, Rin had been continuously catering to the growing aspirations of the Indian housewife. Rin has been voted as the most preferred detergent brand in India.

Wheel is also one of the leading brand of detergents. Launched in 1987 it cleans effectively with less effort, making the laborious chore of washing light and easy. Further, Wheel does not burn hands or harm clothes like a few other detergents. Wheel comes in three variants- Wheel detergent, Wheel Active Gold and Wheel Bar.

**HENKEL INDIA**

Henkel has a range of detergent powders and bars- Henko, Mr White and Chek. Henko is a flagship brand of Henkel India. It is the first environment-friendly detergent to be launched in the Indian market. It is available in the premium range of detergent powder and bar.

Mr. White was launched in 1998. It became a Rs 60 crore brand by the end of 2005. Consumers in India generally use ‘blue’ along with detergents for extra brightness
& lime is also used for better cleaning. The new Mr. White mix came with “Double power of lime and blue”.

Chek powder and detergent bar is a leader in select areas like Kerala, Bihar and Jharkand. It is in the economy segment.

Henkel India offers the following range of powders and bars:

- Henko Stain Champion powder
- Henko stain Championmatic
- Mr.white detergent powder
- Henko Stain Champion bar
- Chek detergent bar and
- Chek detergent powder.

**NIRMA** is one of the few names that is instantly recognized as a true Indian brand. It took on mighty multinationals and rewrote the marketing rules to win the heart of the consumer.

India is one of the largest consumer economies with burgeoning middle class sector. In such a widespread and diverse market place, Nirma had aptly concentrated all its efforts towards creating and building a strong consumer preference towards its goal of marketing products of value.

It was way back in 60’s and 70’s when the domestic detergent market had only premium segment with very few players. The market was dominated by MNC’s. It was in 1969, when Karsanbhai Patel started door to door selling of his detergent powder,
priced at an astonishing Rs.3 per kg, when the available cheapest brand in the market was Rs.13 per kg. It was really an innovative quality product—with indigenous process, packaging and low profile marketing which changed the habit and preference of Indian housewives for washing their clothes.

In a very short span, Nirma created an entirely new market segment in the domestic market. It eventually created the largest consumer pocket and quickly emerged as a dominating market player—a position it has never relinquished. Rewriting the marketing rules, Nirma has become one of the widely discussed success stories between the four walls of the Business School classrooms across the country.

The performance of Nirma during the decade 1980-90 has been labelled as ‘Marketing Miracle’ of the era. During this period, the brand surged well ahead of its nearest rival—Surf, which was a well established detergent product by Hindustan Lever. It was a severe battering for MNC as it evidenced a sharp drop in its market share. Nirma literally captured the market share by offering value-based marketing mix of four P’s, ie a perfect match of product, price, place and promotion.

The year 2004 saw Nirma’s annual sales touch 800,000 tonnes, making it one of the largest volume sales with a single brand name in the world. In India its market share in the soaps and detergent market is 29%.

PROCTER AND GAMBLE, P &G

P&G consists of over 138000 employees working in over 80 countries. The company began as a small family-operated soap and candle company. It had been providing superior products like Ariel and Tide. Both are in the premium segment. In
India, the premium segment has been growing. There is a specific demand for quality cleaning. While Ariel comes for Rs 145 per kg. The price of Tide is Rs 120 per kg, launched only in May, 2000.

HLL's Surf is the present market leader. For P&G, the problem is not the price conscious Indian consumer, but the presence of its age-old adversary HLL. Over the years despite numerous attempts, P&G India has never been able to counter HLL.

In 1991 P&G launched Ariel. Tide was introduced by P&G with the aim to improve the quality of washing. Soap was being used to clean clothes for nearly two centuries. But it had many disadvantages including poor performance in hard water.

Tide was introduced in USA in 1946 and has been present for over 60 years with a leading market share in 23 countries. Tide is the largest selling brand in the world for P & G.

The company offers four products-

- Tide bar
- Tide detergent
- Ariel Front O mat
- Ariel 2 Fragrance.

**GODREJ SOAPS** is yet another major company selling soaps and detergents. Godrej India's recent acquisition of three detergent brands – Ezee liquid detergent, Trico and Key – from Cursons India, indicates its commitment to focus on detergent market with a view to become one of the leading players in this business.
Adi Godrey, chairman of Godrej Industries, says that this acquisition reaffirms the commitment of the company to fast-moving consumer goods business. Ezee, as a brand, he feels will add tremendously to the top line growth of the company. It also intends to retain the leadership position in detergents market by offering customers better products with high quality.

Ezee, which at present, is one of the largest selling liquid detergent brands in India with a sales of over Rs.18 crore was initially launched by Godrej Soaps in 1983.

Godrej has its own liquid detergent brand Dip which has a market share of 15 percent in the liquid detergents market. With Ezee in its portfolio, Godrej hoped that its share will rise to over 75 percent of liquid detergent market of Rs. 35 crores in India.

The market share of the different companies in India is shown in the Chart 2.3

Chart 2.3

Chart showing the market share of different companies in India

- Procter & Gamble: 18%
- Hindustan Unilever Limited: 38%
- Nirma: 29%
- Henkel SPIC: 13%
- Godrej and Others: 2%

Source: Indian Soaps and Toilet Manufacturers Association
The figure 2.3 clearly indicates that HUL (Hindustan Unilever Limited) has 38% of market share, followed by Nirma which has got 29% of market share.

There are innumerable brands available in the market today. There is a severe competition among the companies to promote their brands and become a market leader. In such a situation they make various sales promotion techniques to see that the sale of their product goes up. In this chapter an overview has been made to trace the growth of the industry over the centuries.

An analysis of the perception and preference of the consumer towards sales promotion of soaps and detergents is made in the coming chapters.