Chapter 1 Introduction

Introduction

This chapter provides an overview of the thesis and beginning with the introduction to the present research topic. Considering the premise of research it is necessary to know in brief about household detergent, historical background of the detergents, history of detergent in Indian markets, types of detergents and milestones.

Detergents have an important place in every one’s life as it is must to wash our laundry. Soaps were the earliest form of detergents. Detergent is a water soluble chemical substance which is a cleansing agent use to remove dirt and stains on clothes. Detergent is a mixture of surfactant having cleansing properties and get combine with dirt and impurities to make them more soluble.

1.1 Title of research

“A study of brand positioning and promotion techniques of household detergent brands affecting customer satisfaction and brand loyalty” (With special reference to Pune city)

1.2 Historical background

What is the beginning of detergent and when detergent industry started is not exactly known. In 600 BC, Historians think that people were making soap since early Mediterranean civilization. In 1790, French chemist Nicolas Leblanc made soap. Later in 1800 Soap making was popular in USA. There was a mount called “Sapo” in Rome of Italy where the people used to make some offerings to the gods. The people found that the residue or remaining of an ash possess some useful properties for cleaning. Later on from the name of that mount the word "soap" came into existence. Cotton, wool, silk, jute or flax were used as a raw material for natural clothing. Manmade fibers were manufactured in late 19th and 20th centuries which was a reason to develop the suitable detergents to wash them. In 1916 German chemist Franz Gunther developed
first surfactant to wash these manmade clothing materials. First time a synthetic detergent was introduced in 1930 in USA. During World War II there was an acute shortage of soap and to counter this situation synthetic detergent were introduced and used in USA, UK and rest of the part of Europe for laundering. Growth of synthetic detergent has started. People were expecting their laundry to get clean in less time and wanted their clothes look new for long period. Considering this expectation of the customers companies took efforts and introduced a detergent powder with enzymes and better stains removal property. Synthetic detergents found not only useful but also an effective substitute to the washing soaps. Due to their best they are accepted by people across the world. Synthetic detergents which we are using today contain fast soil removing properties as they are water soluble with 95% of surfactants.

1.3 History of detergent in Indian markets

The detergent industry in India is more than 100 years old. During the British regime Lever Brothers first time introduced soap in India and there after soaps were imported from England and marketed in India. Mr. Jamshedji Tata a well-known Indian industrialist set up the first local soap manufacturing unit in Cochin, Kerala in 1917. Since then soaps have become an important and integral part of the lives of the Indian people. Worldwide synthetic detergent powders started and became very popular. Growth of these worldwide synthetic detergent powders also started in Indian detergent industry. Continuous innovations are going on in detergents in India to make them more and more effective according to the changing needs of the customers. Today Indian detergent industry is making heavy exports.

1.4 Four important terms in the present study are as following

1. Brand Positioning

Brand positioning is a communication made to develop a brand association in the mindset of customers or consumers aimed at differentiating the brand from competitors and thereby attaining the highest possible extent of competitive superiority. Its making impact on customers to make their choice decision. Brand positioning involves in manipulating customer perceptions about a certain good or service.
2. Brand Promotion

Brand promotion is persuasive communication used for informing and reminding the customers about company’s brand.

3. Customer Satisfaction

Customer satisfaction is nothing but long term customer retention. Such customers show the repetitive purchase of a certain product/brand. Customer satisfaction also refers to a contentment of customers towards the products and services of a company. Customer satisfaction is a fulfillment of their expectations which finally leads to satisfaction.

4. Brand Loyalty

Brand loyalty is an attachment of a customer with a particular brand. Brand loyalty is an asset and a situation when customers show their willingness even to pay more for a certain brand. It is also a biased behavioral response. Psychological process is involved in this. Brand loyalty is a customer’s commitment to repurchase or otherwise continue using the same brand because of their trust in the same brand and showing a positive behaviors such as word of mouth advocacy or mouth publicity of that brand.

1.5 Problem statement

Indian FMCG sectors detergent segment is ever changing, volatile and having tremendous competition. An extreme competition between the detergent marketers/companies for their presence as well as their market shares frequently lead to frequent price wars. Detergent marketers are adopting innovative technology and making product innovations according to the changing washing habits of Indian customers. Detergent companies need to introduce newer products while still keeping the market share. The local brands are also competing with leading larger brands and in some cases can have significant market share. Retaining the present customers is also a great challenge before these detergent marketers in Indian domestic markets. FMCG companies are adopting various positioning strategies and promotion techniques to make their customers happy because customer satisfaction has a direct linkage with brand loyalty.
Considering this entire situation there is an acute need to study how these household
detergent brand’s marketers operate in highly competitive markets and position their
brand/s successfully where in this day and edge customer loyalty keeps changing as
customers are experiencing and can get swayed by advertising and other promotional
activities. It is essential to know whether the positioning is effective. Promotions are
effective and marketers satisfy their customers or not. If customers are satisfied do, they
become loyal to the brand? Do companies are giving effective message through their
brand communication. Amalgamation of many factors will be helpful to companies and
consumers. Study made in Pune city will serve as a canvas for other markets too.

1.6 Objectives of the Study

1. To study the brand positioning and promotion techniques used by of various
   household detergent brands in Pune city.

2. To understand an effect of brand positioning, promotional activities and their
   linkage with customer satisfaction and brand loyalty

3. To understand an effect of advertising, its frequency, various media through
   which advertising is made by detergent marketers. To study whether advertising
   frequency affects the customers to make purchase decision.

4. To know the effect of price rise or price sensitivity. To find the reasons of brand
   switching and to figure out the new insights in the study and to know customer
   perceptions, their views opinions related to brand communication and celebrity
   endorsement.

1.7 Justification of Objectives / Need of the study

There immense and fierce competition amongst the leading detergent marketers in India
and their follower detergent marketers across India for their existence and growth which
gave rise to brand wars for the market share amongst them. Retaining the present
customers, maintaining the market on one side and on other side keeping the customers
satisfied and making them brand loyal is a big challenge before these household
detergent marketers. Frequent brand switching or diminishing brand loyalty of
customers is one of the crucial challenges in front of all of these detergent marketing
companies. To retain their present customers and market share these detergent companies adopt aggressive marketing practices. Study of customer satisfaction and brand loyalty is important as they are linked with each other. Detergent sector needs some more study and attention from the different scholars, marketing and branding professionals as various issues are involved. Lot of research has been made in the field of customer satisfaction, brand loyalty but the literature lacks empirical studies based on positioning and promotional techniques used by detergent companies. To understand brand positioning, promotional activities, customer satisfaction and brand loyalty and their linkage this study has been incorporated. From findings conclusions were drawn and some suggestions are made.

1.8 Relevance of the Study

During the last decade various marketing and branding functions have acquired new dimensions and India is witnessed many developments. Companies are making lot of investments in the process of branding to know more about their customers and latest market trends. Today most of the products being sold in the markets with brand name because of this it is easy for the customers to recall the brand. Efficient and careful branding process helps them in increasing the profitability. Customer satisfaction is the key to success which has a direct linkage with the brand loyalty. This study has gathered useful information required for various brand audits of different detergent companies. This study contains the latest feedbacks of the customer’s on quality, price and related issues. The findings of this study revealed that the regional, local detergent companies need efficient marketing where presently they are lacking. This research can be used as reference by the other researchers who want to make the further investigation on the various attributes of brand studies in detergent segment of FMCG industry.

1.9 Scope of the Study

Area selected for the present study is Pune city. Here Pune city refers to the area under the city limits of Pune Municipal Corporation (PMC). The customers who are an actual end users of various detergent powders and detergent bars from Pune city were interviewed personally. This study was made to understand the effect of brand positioning, promotions made by various detergent brands across the Pune city which
helped the researcher in finding the customers mindset, their buying behavior as well as their selection process. Feedbacks of the customers are useful to the detergent marketing as well as manufacturing companies as those suggestions will provide them an insight for making any innovations in their present detergent brands according to customer’s specific needs. These innovations are useful to detergent companies to retain their present customers as well as attract new customers in today’s tough competition in detergent segment of FMCG industry. If the customers don’t get the desired products they will definitely make brand switchover. So companies should take customer satisfaction seriously and study the customer’s brand loyalty.

The present study aims at empirical research where the main endeavor was to collect data from three different categories of the respondents according to the requirements. For the present study the responses from the customers who are the end users of the various detergent products, distributors, wholesalers, retailers, promotion agencies, merchandising agencies, advertising agencies, brand team and brand experts who all and together are important in the ongoing branding activity of a company.

1.10 Assumptions of the study
Assumptions are those things which we normally take for granted in a study. All research studies make assumptions which are stated in the body of the dissertation and understood to be true.

1. It is assumed that the sample is a representative of the population under study which is homogeneous and represents the entire stratum of the society.
2. It is assumed that the questionnaires circulated within the sample population are responded without any personal prejudice about any detergent brand.
3. It was assumed that the respondents will answer a survey honestly during their responses to various questions in the questionnaire.
4. It is also assumed that the responses collected from the different entities involved in this study were true and factual.
5. Questionnaires used have validity and is measuring the desired objects. A pilot study is performed to check the questionnaires and may need some editing.
6. Researcher’s personal experience in this field was seasoning in the present study.
1.11 Hypotheses

In the light of the various objectives the researcher has formulated the following hypotheses.

**H1** The brand positioning and promotion techniques used by household detergent brands are not effective with all customers.

**H1a.** Brand positioning techniques used by household detergent brands are not effective with all customers.

**H1b.** Brand promotion techniques used by household detergent brands are not effective with all customers.

**H2** Brand positioning and promotion techniques used by household detergent brands fail to develop customer satisfaction and brand loyalty.

**H2a.** Brand positioning and promotion techniques used by household detergent brands fail to develop customer satisfaction.

**H2b.** Brand positioning and promotion techniques used by household detergent brands fail to develop brand loyalty.

**H3** The advertisement frequency on television and other media does not affect customers purchase decision.

**H4** Customers do not switch to any other detergent brand even if there is price rise of their most preferred detergent brand.

1.12 Limitations

Limitation is something which is out of one’s control.

1. The scope of the study is Pune city. Scope and title of the study has territorial limitations.

2. The findings are based on the responses given by the sample respondents. The results of the study can’t be generalized and applied to any size of the population.

3. Time constraint is limitations.

Availability of the respondents and time allotment for discussion by them was a constraint as the Respondents were Distributors/Wholesalers/Retailers/Brand/Desk
research/Advertising/ Merchandising/Marketing personnel situated in different locations and were having schedules. Few respondents didn’t response despite of several requests and follow ups. After a long perusal if they were ready to talk the problem was the time spared which was too less and sometimes they found reluctant in answering few questions. Company personnel couldn’t in position to disclose in depth information as disclosure of such information was not permitted to them due to some strategic reasons. Even few companies’ personnel avoided to give interview saying they need their company’s Human Resource department approval to do so. On the commitment of not disclosing their names and name of their company they provided only that information which was allowed for them to give through an informal discussion guide.

1.13 Chapter Scheme

This study is organized in six chapters.

Chapter 1 Introduction

Chapter 2 Literature review

Chapter 3 Detergents marketing companies and their brands

Chapter 4 Research Methodology

Chapter 5 Data analysis and interpretation

Chapter 6 Conclusions, Suggestions and further scope to study

Researcher has taken care to avoid personal biases and individual limitations from being reflected through suggestions or summary. Acknowledgements and references used which are like back bone of the present study is mentioned in bibliography. Utmost care has been taken by the researcher to include the names of all the contributors. Despite of all if any lapse is there it is deeply regretted.

Summary

This chapter lays the introduction to the present research topic and next chapter will be about the review of literature which is relevant to the present study.

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