Chapter 4

Introduction of Product Planning

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- Phases of product planning
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Chapter 4

Introduction of Product Planning

Product Planning is the continuing process of identifying and asserting market demands and requirements that characterize a product’s feature set. Product planning serves as the basis for decisions about promotion, price and distribution. It is the process of developing a product idea and sticking on it until the product is completely developed and later introduced to the market. Additionally, a company must form an exit strategy for its product in case the product have not been able to generate demand and does not attract higher sales figure. Product planning necessitates the whole process of product development by using various marketing strategies, including price changes and promotions, increased distribution channels and product extensions or improvements.

According to Karl H. Tietji, product planning signifies 3 important considerations:

- Expansion and introduction of new products.
- Refinement of existing lines and marketing strategy according to the changing consumer taste, needs & preferences.
- Discontinuance and elimination of marginal or unprofitable products.

Objectives Of Product Planning:

- To fulfil the customer needs: Product planning identifies customer needs, requirements, specifications, aspirations, liking & preferences and also guides the firm’s resources & efforts towards the accomplishment of them.
• **To spotlight firms strengths and weaknesses:** Each firm has its own strengths and weaknesses. The future plan, the blueprint of action is founded in product planning on the set of given strengths & weaknesses. By pinpointing strengths and weaknesses the product can be devised so as to minimize the weakness and maximize the strength.

• **To fortify better resource utilization:** The minimum cost level of production is possible only when the company resources are geared to its production plan. As product planning is related with developments of better quality products, improvement of existing ones to changing consumer tastes & needs, the limited and costly resources are so employed as to the greatest,better & cheaper production.

• **To guarantee firm’s survival:** Products are the hope for firm’s survival. The product that fulfils the ever changing need and taste of consumer enables the firm to survive successfully. Product renovation and innovation are the two key strategies which are considered to be quite important for those firms who want to survive for many years to come.

• **To increase firm’s sale:** Every firm depends on sales as the only source of income to meet the outgoings & retain a decent margin to justify its hard work of putting resources & taking risks. Every firm wants to milk maximum sales by targeting right customer class at the right time.

**Components of Product Planning:**

• **Product Innovation:** An innovation is the idea of producing new product or developing new process, which is considered to
be very useful. Innovation is radical to both growth & change. Most marketing firms and industrial units will be unable to survive at the time of competitive environment, if they are unable to serve innovative products. Innovations generate demand and thus motivate firms to produce innovative and technically advanced products with an aim to serve the present & potential market at a profit. It is means to translate ideas into products and products into profit.

- **Product Diversification:** Product Diversification implies to product expansion in depth and in width.
  - **Depth of product line** implies to assortments of colors, sizes, designs, quality & styles etc.
  - **On the other side, Width of product line** implies to various number of product lines.

Diversification encourages growth & development as well as stability to an organization for a longer duration. It results in creating higher profits. Diversification acts as a catalyst in the situation of financial crunch & managerial inefficiency.

- **Product Standardisation:** Standardisation refers to a limitation of the numbers of varieties or types originating a given class. Larger quantities of or limited varieties of uniform quality may be manufactured by the manufacturer reducing unnecessary varieties. Standardisation helps in contributing towards economies of cost & human resources, thus using the scarce resources very effectively and conserving the scarce inputs for the use of future generation.

- **Product elimination:** As a part of business cycle, every company goes through a stage where some of its products are
to be eliminated from its product line. Product elimination is not an easy task which cannot be done overnight. If the things are taken lightly, it may affect the growth of the company and may demoralize the firm.

The biggest problem of product elimination is psychological in nature. The marketer is reluctant to give up a product, because he has invested his money, time & efforts during different phases of business cycle.

Another problem is from ethical point of view. The marketer has a fear, as to when he has to inform the public about the elimination & whether he will be able to supply spare parts after sales service even after that.

So product elimination should be done on financial analysis of the total history of the product. Product elimination restricts the mis-utilization of costly raw materials in the firm & helps in making better alternative investment.

• **Product Customization:** Customization is the new frontier in business competition for both manufacturing and service industries. As its core is a tremendous increase in variety and customization without a corresponding increase in cost. At its limit, it is the mass production of individually customized goods and services. On the contrary, it provides economic value and strategic advantage.

  The notion of mass customization was described by Tseng & Jiao as “producing goods and services to meet customer’s needs of the individual with near mass production efficiency”.

Pine II(1992) explained four types of mass customization.
• **Collaborative customization:** (also considered co-creation) firms are looking forward to determine the individual needs and they directly interact with individual customers to determine the precise product offering that best serves the customer’s needs. This information is quite useful as per firms’ point of view which can used to specify and producing a product that suits the specific needs of the customer. For example, FMCG companies manufacture anti-dandruff shampoo for a specific class.

• **Adaptive Customization:** Firms manufactures a standardized product, but this product is customizable in the hands of the end user (the customers alter the product themselves).

• **Transparent Customization:** Firms are taking initiatives and producing unique products for individual customers so that their loyalty towards the brand would remain for longer period, without telling them specifically that the products are customized. Here, the firms must accurately assess customer wants and needs.

• **Cosmetic Customization:** Firms are adopting unique ways to market standardized physical product. (1)

**Phases of product planning**

**Developing the product concept**

The first stage of product planning is to develop the product concept. Marketing managers identifies certain problems that would help them in creating ideas for new products which would serve various customer needs. After the product idea is framed, managers will start planning the dimensions and features of the product. Even few small firms will design and develop a product model.
Studying the market

The next phase in the product planning process is studying the competition. Small companies gather secondary research information from channel members usually vendors such as the Forrester Research and NPD Group. Secondary research usually provides information related to key competitors and their market share, which can be calculated as the percent of total sales that they hold in the marketplace. Few companies may also exercise SWOT analysis (strengths, weaknesses, opportunities and threats), which will help them compare their strengths and weaknesses against those of key competitors. The business can determine areas where it has an advantage over the competitor to discover areas of opportunity. For example, a company with a high-quality image may be able to find additional markets for its products.

Market research

A company should consider doing both qualitative and quantitative marketing research for its new product category. A focus group is an example of qualitative information. Focus groups enable companies to conduct studies related to the likes and dislikes of their consumers in small groups. A focus group enables the company to squeeze the product concept before testing it through phone surveys—a more quantitative marketing research function. Through phone surveys companies gather information relating its product concept and enable to test it on a larger scale, the results are more predictable across the general population.
**Product introduction**

If the survey results prove favourable, the company may decide to sell the new product on a small scale or regional basis. In this stage, the company will market and distribute the products in different cities. The company will invest on advertisements and sales promotion activities for the product, continuously companies are tracing sales results to determine potential success of the product. If sales figures are favourable, the company will then expand distribution even further. Eventually, the company may be able to sell the product on a national basis.

**Product life cycle**

Product planning must also include administering the product through various phases of its product life cycle. Product life cycle is categorized into four phases including introduction, growth, maturity and decline stages. During growth phase, companies usually experience the highest sales while competition is low. However, continued successes of the product will stimulate the interest of rivals, which will develop products of their own. The introduction of these competitive products may affect the pricing strategy of the company and may compel a company to lower its price. The decision of low pricing strategy may support the company in maintaining the same market share and prevent the company from losing market share. The company may also decide to better differentiate its product to keep its prices steady. (2)

**Product Life Cycle Theory**

**Introduction:** Firms have to decide whether to use penetration pricing or skimming (skim-the-cream) pricing. A penetration price is
usually a low price. This is done in order to keep the competitor out of the competition. The company launches the new product at a comparatively lower price in order to lure a large number of customers with an aim to keep competing firms out.

A skimming price is usually a high price and this enables the company to recover its investment amount much sooner since many innovators (innovators are the first people to try something new and they consume the product or service first time. They are very much opened to take risks because they want to be first. They are the totally opposite to the category of laggards) are doesn’t hesitate in paying high prices for the product in order to be first. The company later on reduces the prices after many of the innovators have paid the higher price for the product.

In the Introduction stage, advertising is used to build up primary (generic) demand for the product, not selective demand for the brand. Nowadays advertisements are shown on the television quite frequently and they are more informative and attempt to explain the relative advantage of consuming the product. Promotional expenditures are high since companies are trying to induce trial and trying to promote products by making them available for free trial. Companies do not get profits in the beginning but at the end of this stage, they start getting the good response from the customers. Distribution is limited and companies have limited options for distributing their products among masses. The objectives of marketing are to gain product awareness and to encourage trial of the new product. When a product is new in the market, it is the innovators who initiate to consume it first. The product can’t be
consumed unless the consumers are well informed. Word of mouth is very powerful tool to make people aware of new products.

**Growth:** Here, sales are growing quite rapidly. Profits are expected to be highest during this stage. During this stage, many firms make efforts to enter the industry. Customers have more alternatives to choose from and there are major product improvements. Due to immense competition prices are bound to drop. Advertising plays an important role in generating awareness among customers and tends to stress selective demand, i.e., demand for the brand, not primary demand.

**Maturity:** During this phase, market shares become quite stable, the product's sales growth get slower, and only a few major firms are left in the industry (this situation is termed as oligopoly). Prices are now somewhat very close to its costs. Firms compete on the basis of price or sometimes companies use advertising to emphasis emotional appeals. This may be mandatory since there are few real dissimilarities among brands. It should be noticed that the difference among cigarette brands is more emotional than actual. For firms to enter a new growth phase it is quite important for them to innovate their products constantly by adding new features to the product or they should come up with new uses which will increase their consumer base. Generally, the maturity stage is considered to be the longest stage in terms of time.

Most products are going through the maturity stage of the product life cycle. It is important to be aggressive and come up with ways to extend the product life cycle. This can be achieved by:

(a) Modifying the market -- find new users for the product.
(b) Modifying the product -- change a product feature to attract new users

(c) Modify the marketing mix -- change anyone of the marketing mix elements, e.g., place where it is to be targeted or price of the product.

**Decline:** During this stage, sales for the products begin to fall. There are limited numbers of firms in the industry and limited brands to choose from. Here, a firm doesn't spend much on promotion, whereas distribution is rather limited.

Sometimes, Companies face problems when a product doesn’t get success in terms of sales and profitability. In fact, some failures are due to bad product positioning. The way a product is positioned in the market among the customers can affect its sales. It is to be remembered that positioning is done according to the marketer, the way he want the product to be perceived either on its own and/or relative to the other competing brands in the market. When 7-Up was positioned as an "uncola" sales rose dramatically. It was targeted as an alternative to cola soft drinks and it was not just a mixer to be used with scotch. Sometimes existing brands get old and sick. Companies have to consider shrinking the product line. It means to eliminate the sick brands, i.e., brands that do not have a future and waste a great deal of management time. Here in this case, such products would be spotted and withdrawn from the market. Management have to consider few things before dropping the product:

(a) Effects on customers who expect service and replacement parts.
(b) Effects on employees if you fire the workers who are involved in making the product.

(c) Effect on other related products in the product line.

Stages of New Product Development:

(1) Idea Generation

Ideas for new products can be generated from the company’s own research and development department, sales people, customers, employees, Independent inventors, competition and top management. The aim for conducting focus groups with customers is to explore their problems and get ideas for new product. Companies conduct brainstorming sessions for top managers in order to come up with various innovative ideas for new products. The whole process of new product development begins with idea generation it is therefore quite necessary to teach managers to become creative thinkers.

(2) Screening

In this stage, ideas which are not economically feasible or technologically feasible are eliminated. Some ideas are abolished because they don’t match with company’s objectives or mission.

(3) Business Analysis

Various financial techniques such as the breakeven analyses and Net Present Value (NPV) method are implemented to decide whether the idea has the potential of getting return on investment. Companies have to consider the amount of investment to be made in the idea to turn it into a viable product, the size of the potential market, and level of cash inflows which can be expected from the product.
(4) Concept Testing

A concept test is applied to test the idea of the product. Various information are shared with prospects i.e. drawing of the proposed product with detailed description which includes the advantages/disadvantages and even price of the proposed product. Prospects are interviewed to explore curiosity to buy the product. Some firms use virtual reality for testing during the concept testing stage.

(5) Product Test

The product is consumed by a sample of consumers in their homes for several weeks and later asked whether they are satisfied with the product, its price and other components of the product and they further buy it or want to replace it. Ideally, the sample should be a representative sample but usually companies don’t find it. A firm might use an existing panel of consumers. There are a number of companies that recruit consumers to join panels with the surety that the new product will be used by the panel of consumers and they will rate the product accordingly.

(6) Market Test. The test markets are categorized into 2 parts:

**Conventional (traditional) test market** – The purpose of the test market is to test various marketing strategies (e.g., different ways of positioning a product). The most important thing company want to observe is the trial rate (the percentage of people trying the new product) and other is the repurchase rate (what percentage of people buys it a second time). The demerit of a test market is that the ideas can be stolen by the competitors by observing the results of the test market. There are marketing research firms that conducts
researched for monitoring sales in the major test market cities; the data they collect can be purchased or latterly used by any company. The major drawback is that no company can patent any idea for a product. Thus, if a company introduces a new variant of soap e.g. antiseptic, and it does extremely well in the test market, the competition is permitted to introduce the same variant of soap. The patent can only cover the exact formula used to make the soap, not the concept of making the antiseptic soap.

Simulated test market (STM) – An STM is conducted by a research firm and there is total confidentiality. Sometimes, STMs are organized in shopping malls. Consumers are invited for evaluating new television programs. Of course, the television programs include commercials; at least one of the commercials is for the product being test marketed. Then, consumers are invited to "shop" in a room which has set up just similar to a supermarket. Those consumers who purchased and consumed the product would be invited several days later and asked whether they would purchase the product again. The major drawback with a STM is that it cannot be used to predict the reaction of wholesalers and retailers to the new product. A simulated test market is far less expensive than a conventional test market.

(7) Review and Revision

A marketing strategy is determined by management after reviewing the results of above phases.

(8) Commercialization

The new product is launched. (3)

It is quite necessary to understand the product portfolio which includes complete product line and width of the company before they
plan to develop a new product. A new product is designed, developed according to the needs of market and the same is marketed with the objective of gaining higher profitability. The whole process is a part of product policy which can be termed as long-term planning and management of its product-mix by a marketing company in order to achieve maximum consumer satisfaction. Product policies are broad guidelines formulated by the top management of the company with regard to product planning and development.

4.1) PRODUCTS – Product Width and Line of Dabur India ltd.

Given below is the product portfolio of Dabur (Consumer Care Division):

**HAIR CARE**

**Hair oil** –

- Dabur Amla.
- Dabur Amla Flower magic.
- Dabur Vatika coconut.
- Vatika Almond.
- Dabur Anmol

**Shampoo** –

- Smooth & Silky,
- Root Strengthening and Black Shine shampoo,
- Vatika Dandruff Control,
- Dabur Total Protect.

**Conditioner** –

- Vatika Smooth & Silky Conditioner,
• Vatika Root Strengthening Conditioner

**ORAL CARE –**

• Dabur RED Paste,
• Meswak,
• Promise,
• Babool Mint Fresh,
• Babool
• Dabur Lal Dant Manjan

**HEALTH SUPPLEMENTS –**

• Dabur Chyawanprash
• Dabur ChyawanPrakash -Orange and Mango flavors available
• Dabur Chyawan Junior. (Chocolate-flavored)
• Dabur Honey, the purest branded Honey.
• Dabur Glucose

**DIGESTIVE –**

• Hajmola

(Keep your digestion toned up with Dabur’s range of Digestives tablets and candies.)

**SKIN CARE –**

**Gulabari**

• Gulabari Rose water
• Gulabari Face Freshener
• Gulabari Moisturising Cream
- Gulabari Moisturising Lotion

**Uveda Range**

- Fairness Cream
- Moisturising Face wash
- Clarifying Face wash
- 2 in 1 Moisturiser

**FEM**

- Fem Pink Bleach
- Fem Blue Bleach
- Fem Gold Bleach
- Fem Herbal Bleach
- OXY Bleach
- SAKA Bleach for men
- Fem Hair Removing Cream
- Fem Liquid Hand Wash

**FOOD PRODUCTS –**

- Real Active Juice
- Real Juice (12 delicious variant)
- Real Burrst
- Hommade
- Lemoneez
- Capsico Red Pepper Sauce

**HOME CARE –**

**Surface Cleaner**

- Dazzil
- SaniFresh

**Odomos (Mosquito Repellent)**

- Odomos Cream
- Odomos Lotion

**Air Care**

- Odonil Room Freshener
- Odonil Block

**Dish wash**

- Odopic Dish wash
- Odopic Dish washing powder

**Consumer Health - Ethical –**

- Stresscom - Antistress immune modulator
- Trifgol - Isabgol based natural fibre laxative.
- Broncorid
- Madhuvaani - For the management of stable asthma and breathlessness.
- Lipistat - Hypolipidaemic and Cardioprotective.
- Rheumatil gel
- Rheumatil oil - Quickly absorbed and relieves joint pain
- Mensta - Complete Control 30 days a month.

**CONSUMER HEALTH - OTC –**

**Gastro-Intestinal**

- Dabur Pudin Hara
Cough & Cold

- Dabur's Honitus Cough Syrup

Rejuvenation

- Shilajit Gold

Women's Health

- Dabur Active Blood Purifier

Memory Enhancer

- Dabur Shankha Pushpi

Medicated Oils

- Dabur Badam Oil

Baby Care

- Dabur Lal Tail
- Dabur Janma Ghunti
- Dabur Gripe Water

Rubs & Balms

- Dabur Balm Strong
- Dabur Balm Double Action

Product positioning of Dabur India Ltd.

- Dabur strategically positioned the Dabur Honey as a food product, helps to cover over 75% of the branded honey market.
- Dabur Chyawanprash is the largest selling Ayurvedic medicine which covers over 65% market share.
• Hajmola tablets is the largest selling digestive tablets which covers 60% market share of digestive tablets category. About 2.5 crore Hajmola tablets are consumed in India everyday.
• Leader in herbal digestives with 90% market share.

**Brand-Repositioning - To target the young masses**

The public image of Dabur was that of an Ayurvedic company even though Dabur diversified into number of areas. In the public perception, Dabur products were related with the age group of 35 plus. With almost seventy percent of India's total population below 35; it seemed that Dabur wouldn’t be able to target this mass market, which also had high disposable income. Dabur Amla has also launched its hair oil brand extension christened Dabur Amla Lite which failed to gain critical mass. The company has redesigned its packaging with an aim to target the youth segment as well as allocating to its products a new image of "health and well being".

Dabur India is relocating its lead brand, Dabur Amla Hair Oil, since it was losing its market share to Marico Industries' Shanti Amla. Dabur is also considering and surveying to appoint a consultant for rejuvenating this brand. The company is focusing to launch a new campaign for its chewable digestive Hajmola candy. The company is also relaunching Hajmola candy as a fun digestive. "The campaign in the last two years for Hajmola was based on the digestive aspects which became the main reason for poor performance of the campaign. To overcome this temporary blip, the company is going to launch a new campaign and has decided to reposition it as a fun digestive".
Dabur has a diversified portfolio of businesses that includes foods, family products, ayurvedic pharma, veterinary products and healthcare. The company has, over the past couple of years, been pruning its low contribution brands and reorienting its focus on its key brands in the family products, healthcare and food segment. The company has also been consciously reorienting itself into a fast moving consumer goods (FMCG) company against its image of a company manufacturing ayurvedic products.

Following its plans, Dabur made significant changes in the time period 2002-2007.

Brand Rejuvenation: With youth forming a major population of India, Dabur decided to revamp its brand identity. Dabur associated itself with Amitabh Bachchan, Vivek Oberoi, Rani Mukherjee and Virender Sehwag for endorsements. New packaging and advertising campaign saw the sales of Chyawanprash grow by 8.5 per cent in 2003-04.

Brand Logo: The year 2004-05 saw a whole new brand identity of Dabur. The old Banyan tree was replaced with a new, fresh Banyan tree. The logo was changed to a tree with a younger look. The leaves suggesting growth, energy and rejuvenation, twin colours reflecting perfect combination of stability and freshness, the trunk represented three people raising their hands in joy, the broad trunk symbolized stability, multiple branches were chosen to convey growth, and warmth and energy were displayed through the soft orange colour. ‘Celebrating Life’ was chosen as a new tag that completely summarized the whole essence.

Dabur Chyawanprash Rejuvenation: Dabur Chyawanprash (DCP) is a heritage brand which came into existence in the year 1949. The brand is now ruling the market with a market share of around 60 - 70
The total Chyawanprash market is estimated to be around Rs 300 crore (AC Nielsen Retail Audit 2006-07). Chyawanprash is popular as a kid’s health tonic. Parents used to rely on this product for their kids especially if the kids are between the ages 6-16. Because the teens are usually hyperactive and less inclined to taking foods. Hence Chyawanprash offered a solution to the worried parents. The ayurvedic tag also alleviated worries of side-effects.

Over a period of time Dabur Chyawanprash began to face tough competition not from other Chyawanprash marketers but from health food drinks market. In fact the generic competition was hurting DCP more than the brand competition. The health food drinks like Horlicks, Bournvita, Complan etc appealed more to kids than the Chyawanprash. The modern lifestyle also made this product look dated. There was also a perception among the consumers that Chyawanprash is something that has to be consumed when you are not feeling healthy. DCP although was ruling the market faced the issue of stagnation. The stagnation was a result of category stagnation rather than saturation. The only option left for DCP was to rejuvenate the entire product category.

In 2007, Dabur carried a major repositioning exercise for this Rs 150 crore flagship brand. The motive of repositioning was to:

- Stretch the market for Chyawanprash
- Make the brand more contemporary
- Reinforce new set of attributes.

The brand identified two segments: Adults and Kids as the focal point in the repositioning exercise. A series of TVC and print campaigns were released to target both the segments. The campaigns were
aimed at parents. The consumer insight was that people care about their loved ones than oneself (source: Hindustan Times). The entire campaign was based on the theme of 'role reversal'. The ads featured the brand ambassador Amitabh Bachchan asking the audience to understand the challenges of being a kid, a father and a mother. The campaign involves mother taking the role of a kid, father and son taking the role of a mother and thus understanding the physical and mental exertions involved in each role. The ads end with the Voice-Over 'Dabur Chyawanprash, Zaroorat hai sabko' (meaning - DCP: essential for everyone). DCP earlier had the slogan - Zaroorat Hai and was positioning itself as a health tonic which is essential for kids.

The new tagline broadens the segments by including every member of the family. In the new positioning the brand retains the core brand mantra of 'Natural health tonic' but stretches the segments to include adults. By positioning it to adults does not mean that the brand has lost its sight on kids. The brand makes itself relevant to kids by a series of campaigns featuring a new brand ambassador Vivek Oberoi. By positioning itself to new segments, the brand aims to realize its full potential. DCP now stresses on the new set of attributes: health, stress and diabetes. While the standard Chyawanprash takes the health attribute, Dabur launched Chyawanshakti to take on the stress platform. Chyawanshakti is positioned as a stress reliever and energizer. DCP also makes the category attractive to diabetic/diabetic prone consumers by launching Dabur Chyawanprakash. Chyawanprakash is targeting the high density of diabetic patients in our country which makes a highly lucrative market. To take on the competition from the health food drink market, Dabur is planning a foray into the HFD market with a new brand. (4)
Reasons for Brand Revitalization

- **Struggling industry environment:** FMCG sector was struggling with the slow growth rate in the Indian economy, Dabur decided to take numerous strategic initiatives, reorganize operations and improvise on its brand architecture beginning 2002.

- **Easy entry to competitors:** Larger retailers were making their foray into the FMCG market. Apart from HUL, P&G, Marico and Himalya, ITC was also posing a challenge.

- **Stiff competition:** Over a period of time Dabur Chyawanprash began to face tough competition not from other Chyawanprash marketers but from health food drinks market. In fact the generic competition was hurting DCP more than the brand competition. The health food drinks like Horlicks, Bournvita, Complan etc appealed more to kids than the Chyawanprash. The modern lifestyle also made this product look dated.

- **Market stagnation:** DCP although was ruling the market faced the issue of stagnation. The stagnation was a result of category stagnation rather than saturation.

- **Supply chain:** The supply chain of Dabur was becoming complex because of the large array of products. Southern markets share in the sales figure was negligible. These factors posed a threat to Dabur and hence small changes were not enough.

Strategies for Brand Revitalization

- **Attract new customers:** With youth forming a major population of India, Dabur decided to revamp its brand identity. Dabur associated itself with Amitabh Bachchan, Vivek Oberoi, Rani Mukherjee and
Virender Sehwag for endorsements. New packaging and advertising campaign saw the sales of Chyawanprash grow by 8.5 per cent in 2003-04.

- **Change the brand image:** The year 2004-05 saw a whole new brand identity of Dabur. The old Banyan tree was replaced with a new, fresh Banyan tree. The logo was changed to a tree with a younger look. The leaves suggesting growth, energy and rejuvenation, twin colours reflecting perfect combination of stability and freshness, the trunk represented three people raising their hands in joy, the broad trunk symbolized stability, multiple branches were chosen to convey growth, and warmth and energy were displayed through the soft orange colour. ‘Celebrating Life’ was chosen as a new tag that completely summarized the whole essence.

- **Associate the brand with relevant goals:** DCP earlier had the slogan - Zaroorat Hai and was positioning itself as a health tonic which is essential for kids. The new tagline broadens the segments by including every member of the family. In the new positioning the brand retains the core brand mantra of ‘Natural health tonic’ but stretches the segments to include adults.

- **Brand extensions and sub-brands:** The standard Chyawanprash takes the health attribute; Dabur launched Chyawanshakti to take on the stress platform. Chyawanshakti is positioned as a stress reliever and energizer. DCP also makes the category attractive to diabetic/diabetic prone consumers by launching Dabur Chyawanprakash. Chyawanprakash is targeting the high density of diabetic patients in our country which makes a highly lucrative market.

- **Identifying additional or new usage opportunities:** The brand was being positioned not as the tonics required when kids are not
well but as the tonic which protects them from cold and coughs which is effective for adults also. This was communicated through the ads featured the brand ambassador Amitabh Bachchan asking the audience to understand the challenges of being a kid, a father and a mother. The campaign involves mother taking the role of a kid, father and son taking the role of a mother and thus understanding the physical and mental exertions involved in each role. So the brand got new usage opportunity of health tonic essential for all.

Godrej Consumer Products Ltd. is in the process of extending its Cinthol brand to a series of premium variants, While Cinthol exists in soap, deodorant and talc formats, GCPL is set to extend the brand to variants such as handwash, shower gel and non-soap cleaners in due course. GCPL had undertaken the process of restructuring its Cinthol brand last year, with a fresh communication and positioning. However, according to analysts tracking the FMCG sector, recent years have seen the equity of brand Cinthol being diluted. "Unlike competitors, Cinthol hasn’t managed to occupy a steady positioning statement in the long run. For example, HLL’s Liril has a strong connotation with freshness, Reckitt Benckiser’s Dettol banks on antiseptic properties, while Lifebuoy and Lux rely on the health and beauty positioning respectively," pointed out an analyst.

4.2) PRODUCTS – Product Width and Line of Godrej Consumer Products Ltd.

Given below is the product portfolio of Godrej Consumer Products Ltd:

Home Care

- Good Knight
• Hit
• Jet
• Ezee
• Godrej Dish Wash
• Genteel

**Personal Wash**

• Cinthol
• Godrej Protekt
• Godrej No. 1
• Godrej Fairglow
• Godrej Vigil
• Crowing Glory
• Shikakai
• Swastik
• Godrej Shaving Cream

**Hair Care**

• Godrej Expert
• Renew
• Colour Soft
• Nupur
• Kesh Kala
• Kali Mehandi
• Anoop Hair oil

**Air Care**

• Godrej Aer Twist
• Godrej Aer Click
Godrej Aer Spray

**Expanding product portfolio**

Today, GCPL is on the threshold of widening its product portfolio following the recent merger between itself and Godrej Hygiene whereby the latter’s brands, including Goodknight and Hit, would be added to its existing portfolio. The recent restructuring within the Godrej group approved the proposed merger of Godrej Consumer Biz Pvt Ltd (GCBPL) and Godrej Hygiene Care Pvt Ltd (GHCPL) into GCPL. GHCPL is a 100 per cent subsidiary of Godrej Industries Ltd (GIL) and GCBPL is a 100 per cent subsidiary company of Godrej & Boyce Manufacturing Co Ltd (G&B). GCBPL and GHCPL will be transferred to GCPL. The main purpose of merging these two entities is to acquire the 49 per cent stake in Godrej Sara Lee (GSL). Godrej Sara Lee is currently a 49:51 JV between Godrej Industries and Sara Lee with brands such as Goodknight, Hit, Jet, Ambipur, Brylcreem and Kiwi. “This merger addresses the biggest issue of GCPL, namely, that of being a ‘limited product range’ company. Its portfolio now extends to soaps, hair colour, toiletries, hair care, interior perfume, shoe polish and mosquito repellent and thereby serves a case for business ‘re-rating’ in line with other consumer peers.” With this merger, the Godrej Group brings one of its largest consumer portfolios under GCPL, which would help strengthen the distribution bandwidth of GCPL and bring about attractive valuations as Godrej Sara Lee has a slightly better margins profile and a similar growth profile to GCPL. The merger of both these entities into GCPL will address the key issue of sustainable growth drivers as it will widen the company’s FMCG portfolio and give it better bargaining power in terms of distribution. Moreover, the merger will put the Godrej group on a
stronger footing to buy out Sara Lee’s 51 per cent stake in Godrej Sara Lee, if the situation arises”.

In fact, the process of streamlining FMCG operations within the Godrej group began with the formation of the leadership team when the three companies — Godrej Sara Lee, Godrej Consumer Products and Godrej Hershey — started sharing their resources.

GCPL would be deriving advantages of scale and synergies rather than merely existing as individual companies. The synergistic areas have already been tapped as part of the newly-formed FMCG leadership team whereby the three companies have been sharing resources such as the supply chain and warehousing facilities. Even while selling in the rural markets, a common distributor would run the van operations to sell the products from these three companies,” explains Dalip Sehgal, MD, GCPL.

**Tie up with Future Group**

Meanwhile, the Godrej group has also struck a deal with the Future Group to sell its less successful FMCG brands such as Ganga, Evita, Banish and Godrej Tea through a licensing deal. They have decided to sell these brands through a different channel which would be the modern trade. There is licensing deal with the Future Group’s Big Bazaar outlets to sell soap brands such as Evita and Ganga as we no longer sell these brands. Indeed, resorting to the modern trade has helped languishing brands like Godrej Tea which has got a new lease of life, garnering significant market share after being sold through the Big Bazaar outlets. Household insecticide brands such as Banish also did not find a market as it had to compete with established brands such as Goodknight and Hit from its own company’s portfolio. So did
soap brands like Evita and Ganga which failed to find any customer franchise and had to be discontinued from the company's portfolio.

“We already have two big soap brands to support and having experimented with these brands it was a portfolio choice which was taken when brands like Evita and Ganga were discontinued,” claims Sehgal.

Godrej was one of the early pioneers in the hair colourants category. It launched its first hair colour brand-Godrej Liquid Hair Dye-in the 1970s. Used in those days with some degree of hesitation, it did become the category leader and laid the foundation for the market-to-come. In keeping with market developments, Godrej added to its portfolio in 1981 by developing and launching a hair dye in powder form.

In 1995, it revolutionized the market by packaging its hair colour in an economical, easy-to-use, convenient to carry sachet format called Godrej Powder Hair Dye. In rural India which is traditionally price sensitive, it had an open sesame effect. Its unique selling proposition put succinctly in its communication- Kaato, Gholo, Lagaa (Cut, Desolve and Apply)-helped it establish unquestioned leadership.

In 2008, Godrej Powder hair dye was relaunched as Godrej Expert Powder Hair Dye and carried with it the promise of a much-needed product innovation. The colour lock formulation technology developed by Godrej, enabled colour molecules to cover every hair strand for a long-lasting, natural look. Simultaneously, the mildly perfumed conditioner nourished hair and made it soft and shiny. In 2011, a further relaunch provided a range of innovations. Godrej Expert Original is the basic black hair colour (with the largest hair colour consumer franchise in India), Godrej Expert Care (a henna
based colour with the goodness of henna and amla) and Godrej Expert Advanced (powder that forms a gel); the flagship gel innovation that took care of all the fundamental powder format challenges - Non Drip, triple conditioner; and great post use hair feel. Another innovation in the Expert hair colour franchise was the launch of the Godrej Expert Rich Crème in 2012. For the first time in India, a crème hair colour was made available in convenient pre-measured sachets. It is available in five shades, and is enriched with the goodness of aloe-protein which keeps the hair soft & shiny. Expert Rich Crème also offers a complete one-stop solution by way of a Hair Colouring Kit (colour sachet + developer sachet + hair colouring brush + mixing bowl + gloves + ear caps + stain removal wipe + conditioner) to hand-hold the first timers. Godrej Expert Rich Crème is affordably priced at Rs.59 for the Kit and Rs.30 for the Single use pack (colour sachet + developer).

Gearing up to enter new categories, GCPL also acquired the Rs 5-crore Snuggy brand of diapers from Shogun Diapers in a bid to enter the babycare market in future. Godrej is looking at products which will be synergistic in their distribution system. Acquiring the Snuggy brand gives the company an opportunity to get into more baby products such as soaps, oils and creams. The company is also eyeing new categories under feminine hygiene care by launching paper-based products as well. There have been some impediments to the growth of the company due to de-growth in its contract manufacturing business. After supplying products such as soap to a host of other manufacturers, the company saw shrinkage in its sub-contracting business due to the high excise duties imposed on soap manufacturing units. But the latest interim budget portends good news for the company for the year ahead. The reduction in duties for
industrial oils (an input for soaps) should see the company increasing its soap margins in future. Besides, the company is gearing up to increase its soap prices, taking after the recent price increases announced by HLL. "Price increase for our soap brands is on the cards," says Press. The company also decided to beef up its liquid detergent brand of Ezee by introducing a variant, Ezee Silk, with a pH-balanced technology to retain the shine and lustre of silk clothes. After soaps, it is liquid detergents which has grown the fastest for the company. In spite of being a niche product, stretching the Ezee detergent franchise from woollen to silk clothing indicates the segment has been growing for the company.
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