

# Major Research Project

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## Understanding the Buying Behavior of Indian Customers in Disinfectant and Antiseptic Market to do the Effective Analysis for the New Entrants in the Market

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2019-20

## **STUDENT'S DECLARATION**

This is to certify that I have completed the research project titled “**Understanding the Buying Behavior of Indian Customers in Disinfectant and Antiseptic Market to do the Effective Analysis for the New Entrants in the Market**”.

This work was done under the guidance of **Dr. Deep Shree** in the partial fulfilment of the requirement for the award of the degree of “**Masters of Business Administration**” from “Delhi School of Management, Delhi Technological University”.

It is also certified that the project of mine is an original work and the same has not been submitted earlier elsewhere.

**Karan Kagathara**

**2K18/MBA/097**

## Certificate from Mentor

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Date:

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the Major Research Project Report, Titled “*Understanding the Buying Behavior of Indian Customers in Disinfectant and Antiseptic Market to do the Effective Analysis for the New Entrants in the Market*” submitted by *Mr. Karan Kagathara* as partial fulfilment of requirement of the two year *MBA – Marketing and Supply Chain Management* course is a bonafide work carried out by the student at our Institute.

This Major Research Project Study is his/her original work and has not been submitted to any other University/Institute.

Signature

Name:

Designation:

## Acknowledgment

After weeks of deliberation, research and perseverance, this report has finally reached a successful conclusion. I would like to express my appreciation and acknowledge the support and guidance provided to me over the course of preparation of this report.

I am highly indebted to Marketing Department of Delhi School of Management for giving me the excellent opportunity to work closely with experienced professionals from the field.

I express my gratitude to all the professors of Delhi School of Management for willingly helping me out while I was still pondering over the subject matter for the report.

My sincere thanks to Dr. Deepshree for mentoring me over the course of this report, and for helping me take this report to its completion. Without her guidance this report would not have reached its fruition. Her guidance, knowledge and insights have proved to be invaluable to this text.

Last, but not the least, I would like to thank my family for their endless encouragement and patience.

## Executive Summary

To start a business nowadays, it is really very important to understand the market scenario and the condition of the industry in which one is willing to enter and if the case is of high tech and high investment industry, it becomes even more crucial as high amount of efforts (in terms of both monetary and non-monetary aspects) are required to establish one.

This report is a combination of both primary and secondary research in the area of disinfectant, antiseptic and skincare products. Primary research includes the overall analysis of the customers' purchasing pattern in the above mentioned industry so that gaps can be analysed effectively and brand loyalty can be understood in customers. This primary research, in turn, helped a lot in sorting out the market leaders in Indian scenario. Secondary research includes the overall analysis of the disinfectant and antiseptic industries majorly by considering the examples of market leaders that came out from the customer survey. This analysis is being done to understand the opportunities available in the market for new entrants (by using an example) in India. What are the scopes and expansion strategies companies should follow to survive in the market will also be considered as one of the major points of this research project. This will be done by analysing the shares of different companies in the market and share of different product categories under the umbrella of disinfectants and antiseptic domain. Last but not the least is the level of brand loyalty in customers and the level of adaptability in them if better options are provided to them. This aspect can also help a lot in understanding the gaps in the mind of customers and whether they are open to accept new brand or not.

Conclusion of the report will be focusing on the strategic management part for the new entrant (an example based discussion) and how it can provide an edge to the new entrant over the already existing market player or a market leader. Since, this is the combination of both primary and secondary research, major part of the project is based on analysis, computations and understanding of major players and consumer behaviour.

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## **CHAPTER 1: INTRODUCTION**

This project mainly focuses on healthcare industry and the available products in the Indian market in the segment of disinfectant and antiseptic segment. So, the whole introduction part is based on this particular area where major players will also be discussed and slight introduction on the consumer behaviour with respect to disinfectant and antiseptic market.

### **1.1. BACKGROUND**

Healthcare Industry has become one of the largest and fastest growing industries in India. It is estimated at a Rs25,400 crores (2017) and is expected to grow up to Rs31,000 crores in the year 2020 due to various factors like income, insurance etc. India expected a growth of **22-25% growth** in the healthcare industry. From \$3 Billion to a rapid \$8 Billion in the year 2018, it has shown a positive growth rate. The government of India is **currently spending 1.4%** of country's GDP and wants to **increase its spending by 2.5%** by the year 2025.

The healthcare industry includes 4 segments under it, they are as follows-:

**Healthcare services and facilities:** This sector in itself includes, several sub-sectors, they are broadly classified as-:

- Hospitals
- Nursing and Residential Care Services
- Ambulatory Healthcare Services
- Medical **Practitioners** and Healthcare Professionals

**Medical Devices, equipment and Hospital Supplies Manufacturers:** These are medical companies offering latest technology and offering products across the whole spectrum of medical equipment, hospital supplies, product and services including special applications.



This segment further consists of many players like **‘In-Vitro Diagnostic substances’, Electro-magnetic and therapeutic apparatuses** etc.

**Medical Insurance, Medical Service and Managed Care:** This segment deals with providing medical insurances or services to either patients or medical institutions. The term ‘managed care’ describes various techniques intended to reduce costs of providing health benefits and enhances quality of care for institutions that utilise those techniques. This sector also includes **health staff recruitment agencies, Dental Insurance, Health and Medical Insurance, healthcare consultants** etc.

**Pharmaceuticals and Related segments:** The pharmaceuticals industry develops drugs and markets them in hospitals or other companies. Pharmacy industry reduces the need for inpatient care. This industry is supposed to get their drug patented, proper testing needs to be done to ensure utmost safety level and efficacy of these drugs. This is the segment that includes OTC (over the counter) products and drug stores, prescription drugs, generic drugs, vitamin and supplement manufacturing, glasses and contact lens store etc. **Wound-care market falls under segment number 4 of the healthcare market**, that is, the **Pharmaceuticals and Related segments**, because traditional wound-care consists of OTC products which falls under this specific segment and is a growing market in India.

### **1.1.1. Wound-Care Market**

The wound-care industry in India is divided in two segments, namely:

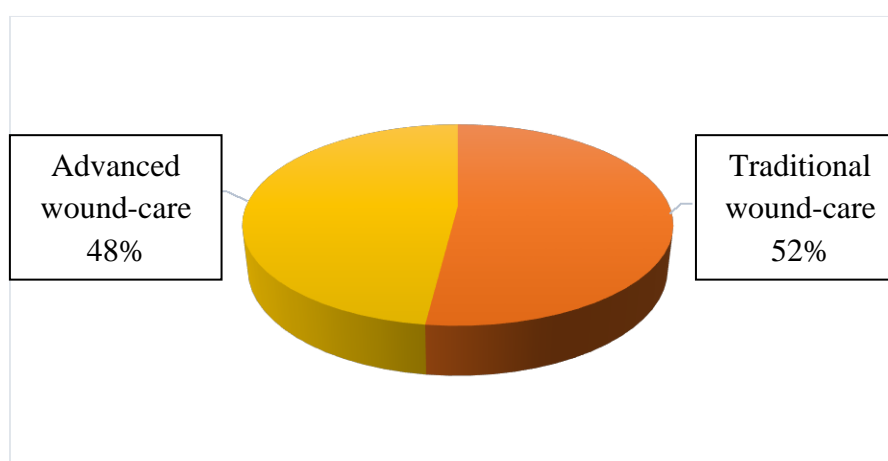
**Traditional Wound-Care:** The Indian market currently mostly operates in the segment of traditional wound care (OTC) and comprises of woven and non-woven sponges, conforming bandages, antiseptic liquid, ABD pads etc. it accounts for 50% of the wound dressing market and serve non-severe wounds (wounds that can be healed at home or without a doctor).

**Advanced Wound-Care:** This specific type of healing comes from clinicians after a visit to the hospital or is done by professionals themselves. This category specifically includes:-

- Film dressing
- Foam dressing

- Hydrogels
- Alginates
- Hydrocolloids

The advantage of such a product is that they keep the **wound moist in antiseptic chemicals and promote healing**. They follow the ideology that a moist micro-environment promotes a better and a natural way of healing. This thing keeps the **oxygen flowing, keeps temperature consistent, removes the dead tissues from the skin and is easy to re-dress due to less pain factor**. Since advanced wound-care segment mostly operates as a hospital division, gathering information about the same was out of reach and this specific segment deals in very advanced products that offered on in hospitals and are used by medical professionals.



### **1.1.2. Factors Affecting the Wound-Care Market**

The levels of incidents of injuries including chronic and acute wounds have increased over time. There are several reasons as to why the wound-care market is growing in India, few reasons are as follows:-

**Rate of construction has gone up by every passing year -:** The rate of construction in India has increased from the past because India is a developing nation and new buildings and improvement in infrastructure is being developed every day and labour that work on developing these infrastructures are **more prone to injuries like to cuts from sharp tools**

**that they use in.** Therefore, more antiseptic liquids are required to heal the wound and to stop bacteria from spreading. The construction and infrastructure industry has shown a **growth of 6.1%** in 2018 and accounts for **Rs 2413.96 Billion of the Indian GDP in the first quarter of 2018.**

**Increase in frequency of blood testing-:** According to IDF (International Diabetes Federation), India has shown an approximation of **74 Million** diabetes patients that are currently present in the country and is expected to see a rise in level of **134.3 million** patients by the **year 2045**, which shows that they will surpass China, where China will **have 119.8 Million**. Ideally, a patient is expected to get checked up every **3 months** and seeing that there are 74 Million current patients and the potential patients will go up, the level of test everyday goes up. Any blood test is done only after the skin is cleansed by an antiseptic liquid with a cotton swab.

**Increase in mental health issues-:** Today, almost **7.5% of Indian** suffer from any mental health problem be it anxiety or depression or anything as a matter of fact. Any mental health issue causes a person to get distracted from the present moment and focus more on their thoughts or issues that is bothering them, this can cause people to become more prone to injuries because of lack of focus in the surrounding environment which overall leads to increase in accident level in the country.

**Increase in use of advanced wound care method-:** Advanced wound care segment has seen an immense growth and seen a **growth at the rate of 3.7%**.The AVC method affects the traditional wound care market since advanced wound care has its own benefits, such as-: **it heals the wound and the leaves no scar behind after healing**, the collagen-based dressing that is now being offered their moist effect heals the wound at a much faster rate than traditional wound-care products.

**Rise in the level of income-:** Some amount of **Indian population (21.2%) resides below the poverty line**. The average spending of a resident in rural India is Rs32 and in urban areas is Rs47 and the **per Capita Income has seen a rise by 8.6% in year 2018** (economic times). When it comes to pushing products related to “Antiseption”, rural India is highly targeted, seeing the hygiene level and level of injuries in these areas is much higher, i.e. people are more prone to injuries and infections from those injuries due to lack of awareness and usage

of these products. The most physical unskilled labour comes from rural India who are not aware of as to how they should take care of their wounds and not let wounds become infected. The rise in disposable income has increased of the middle-class group of people which could also indicate that rural India's public's income has also increased, people who could not afford any antiseptic liquid before they can now, seeing increase in income!

**Decrease in utilisation of 'Desi methods'-:** These methods are very popular in every Indian household and come from ancient traditions. These methods come from grandmothers or old age people in the family. These methods comprise of using 'desi methods' rather than medicines or products related to wounds. These methods include use of natural products like **Tulsi (Basil), Haldi (Turmeric), Honey, Aloe vera** etc. Realising that these items cannot heal the wounds completely or is not suitable at all for the wound, people have started shifting from desi methods to something more clinically approved.

### **1.1.3. Antiseptic and Disinfectant Product Market**

The market of wound cleansing is divided in two segments for specific product arrangements, namely **antiseptic and disinfection product**. When we talk about antiseptic and disinfection products, consumers tend to get confused because of the reason that they do not understand the difference between each. The main difference between these is:

**Antiseptic products-:** Antiseptic products are those that make the wounds free from contaminating bacteria (disease causing pathogens). It inhibits the growth or action of micro-organisms completely.

**Disinfectant products-:** It is a chemical that destroys the formation of harmful micro-organisms like fungi or bacteria.

The global market of wound cleansing was valued at a USD 6.3 Billion in the year 2017 and it is projected to grow at a CAGR rate of 6.2% from the year 2018-2026 as stated by the Transparency Market Research. Countries in North America and Europe are said to dominate

the market due to the factor of increasing demand and higher rate of adoption of these products by consumers and doctors. Asian countries will also see a rise due to large base of private clinics and hospitals, increase in geriatric (related to old people) population requiring hospital services after surgery and utilisation of adoption of antiseptics for wound-care therapy. Asia pacific is also projected to expand as well with expansion with other continents due to large number of clinics in emerging countries like **China, India.**

There are various ways how clinicians assess a suitable and effective antiseptic liquid, those factors are as follows:-

- Cidal (ability to kill bacteria)
- Non-Staining
- Good Odour
- Active against all pathogens
- Rapid acting

So, these are some of the major factors that people look for when they are using any antiseptic or any disinfectant.

## **1.2. PROBLEM STATEMENT**

The healthcare market and the major medical product line is almost untouched if we talk in term of management related problems and other analysis that can help in finding effective gaps in the market that can be fulfilled by introduction of other products (product development), targeting new market (market development) and diversification. There are many brands which are serving effectively in the skincare market and also have a potential market in the area of antiseptic and disinfectant products but they have not touched those parameters in India. So, this project is basically the analysis of those areas and potential brands which fall in the category of secondary research. To reach that part of the secondary research, our primary research is to understand the buying pattern of customers and to

understand the level of brand loyalty in them. So, the problem statement of the project can be defined as the:

*“To understand the buying behaviour and the buying pattern of customers in the antiseptic and disinfectant market so that effective analysis of market leaders can be done to facilitate the new entry”.*

Multiple examples will be used to analyse the market leaders as well as for the new entrants. Based on this problem statement, the whole project can be divided into several objectives, which will be discussed in the following section of the project.

### **1.3. OBJECTIVES OF THE STUDY**

Based on the above mentioned problem statement, the whole project is divided into four major objectives, which are:

1. Primary research survey on Indian customers to understand the buying pattern and brand loyalty in them with respect to antiseptic and disinfectant market.
2. Analysis of the Indian market leader in antiseptic and disinfectant industries (Reckitt Benckiser in particular).
3. To analyse the feasibility for the new entrants in antiseptic market (with the example of Beiersdorf)
4. To discuss the short term strategic plans for the new entrants in the antiseptic market.

So, the whole project will be focusing majorly on these parameters of the study. The first objective is based on primary research and all other objectives are directly or indirectly dependent on that objective. Therefore, other three objectives are focusing on the secondary research part of the project in particular.

## **CHAPTER 2: LITERATURE REVIEW**

The character of Consumer Behaviour and Brand Management can be deemed as interesting at best. All the activities which occur at the time of decision making process play an important role in understanding the consumer behaviour and thinking process. This, in turn, decides the demand and supply level in any market. Market segmentation, market targeting and positioning of any product also indirectly depends on consumer behaviour. There are other aspects of marketing as well apart from the revenue generation and increasing market share, which are; societal marketing, introduction marketing and marketing to spread awareness in the target population. This can help us in managing our product portfolio more effectively and in analysis of the potential gaps in the market.

There are a lot of assets available with the company and companies always manage those assets in the most effective way possible. Brand is also an asset for a company and it is sad that most of the middle level companies do not realise that the brand name, brand image and brand value can be considered as the major assets for the company. This requires the long term perspective and a different management discipline as compare to the traditional one (Davis.(1995). *A Vision for the Year 2000: Brand Asset Management. A research article. Journal of Consumer Marketing. 12(4). 65-82*). So, it is very important for brand owners to understand the rationale behind adopting brand asset management. This aspect can help bigger brands to understand the market condition and the level of acceptability in the market if a new product is in pipeline.

With respect to brands and product development, another very important aspect is to understand the brand identity with respect to employees' perspective. It basically helps in exploring the various dimensions of brand identity management that can influence the attitude of the employees and their vision towards the new product of the company where they are working. Since, employees are the internal customers of any company, it becomes important to analyse their response first before moving to the actual market. (Bravo, Buil, Chernatony and Martinez. (2017). *Managing brand identity: effects on the employees. A research article. International Journal of Bank Marketing. 31(1). 2-23*). So, these employees can act as the test-market for the company and their reviews and responses are also more considerable as the chances of biasness is extremely less.

In case of understanding the target customers in the target market area, one always requires to think from customers' perspective and this is in-turn a very difficult task to achieve. Customers always look for price-value tradeoff. Values can vary from customer to customer and that is why it is important to generate values in the market which are the most desirable and can cover the maximum population in the target market. This can generate the intention of buying products or availing services in the customers. Values can be defined in terms of quality, responsiveness of the company, product portfolio and availability of the products in the market. This can generate a sense of trust in the customers and those customers then become brand loyal (Akhter. (2009). *Niches at the Edges: Price-value Trade-off, consumer behaviour and marketing strategy. A review article. Journal of Product and Brand Management. 18(2). 136-142*). The major limitation in case of this analysis is that- the number of factors that can be considered as value generating in the market are very large in numbers and the study is really subjective. So, it is always difficult to collectively study more factors in a single go by considering other factors as well.

It is also important nowadays to understand different cultures of different geographical areas as the economy is now moving in the international framework and brands are adopting global strategies for the expansion. With respect to healthcare industry also, serving international market is becoming a new trend and all products, services, manpower etc. have no boundaries in the market place. Without understanding of the different cultural aspects, it is difficult to enter a new market as local requirements and customer demands vary based on the cultural aspects. One thing which is also important is to understand the gaps available in the market based on culture as acceptability also varies on the basis of different beliefs of any particular culture (Luna and Gupta. (2001). *An Integrative Framework for Cross-Cultural Consumer Behaviour. A review analysis article. International Marketing Review. 18(1). 45-69*). At many places, cultural bonding and followers are so strong that a slight mistake in terms of a new product launch can cause mass rejection.

Attracting a mass population also depends on the corporate social responsibility (CSR) a particular company is representing. There is a huge number of big companies in the market (specifically FMCG and healthcare industry) which are actively participating in CSR work and many initiatives are being taken to make the lives of consumers better. These companies are inherently having a high brand image in the minds of target population. This can also help in changing the intension the customers are having in their mind regarding a particular brand and can attract mass population. It increases the loyal customer base and the trust level in the

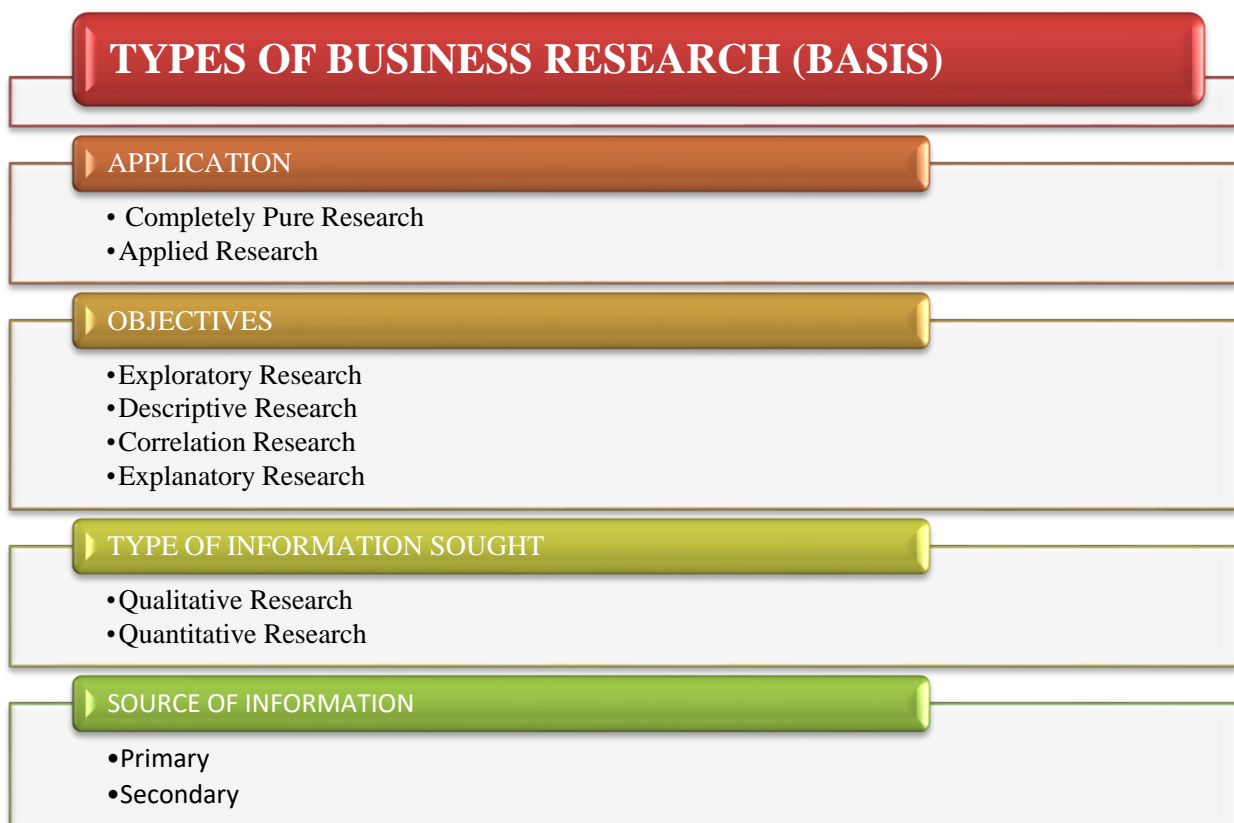


customers (*Rajah and Gaur. (2006). Consumers' beliefs about firm's CSR initiative and their purchase behaviour. A case review. Marketing Intelligence & Planning. 34(1). 2-18).*

So, in this way, it is always very important to understand all the above mentioned concepts if one wants to understand the consumer purchasing pattern and that is the main objective of this project on which all other objectives are dependent. All the questions in the questionnaire are designed by keeping this aspect in mind.

## **CHAPTER 3: RESEARCH METHEDODOLOGY**

The report is written as a pure research account, and follows both primary and secondary research (based on information source), descriptive research (based on objectives), and qualitative research (based on type of information sought).



**Figure: 3.1 Representation of types of business research**

Since this report does not aim to generate a statistical generalization, the primary research part involved a small sample size of 102 individuals from the Indian population. All the responses received are divided on the basis of age, annual income majorly and based on these two parameter, the answers related to the interest of the project were differing. The analysis part in case of the primary research objective is done using Google Analytics, Microsoft Excel etc. Based on the analysis of this primary objective, analysis of market leader was done using both quantitative and qualitative data available about the company. Another secondary

objective was achieved by formulating the strategies for the new entrant in the market. This was also based on the qualitative data available about the company. A brief explanation of respondent profile (done in the primary research) is following:

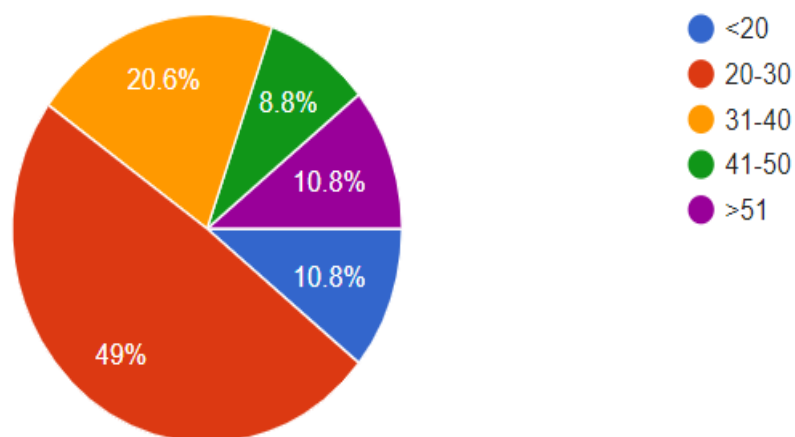
### Respondent Profile

**Age Group:** Of the 102 respondents, 49% population was between 20-30 years, 10.8% population were below 20 years and 20.6% between 31-40 years of age. This data shows that most of the population in this category was young population who usually do grocery shopping in any family. Based on this particular parameter of age, annual income also depends as most of the people under these age groups were working and were taking decisions on spending.

The remaining 19.6% population was above the age of 41 years and majorly working elders and housewives fall under this category. These people also go for grocery shopping and therefore, the complete target population is relevant for our study.

#### Age group

102 responses

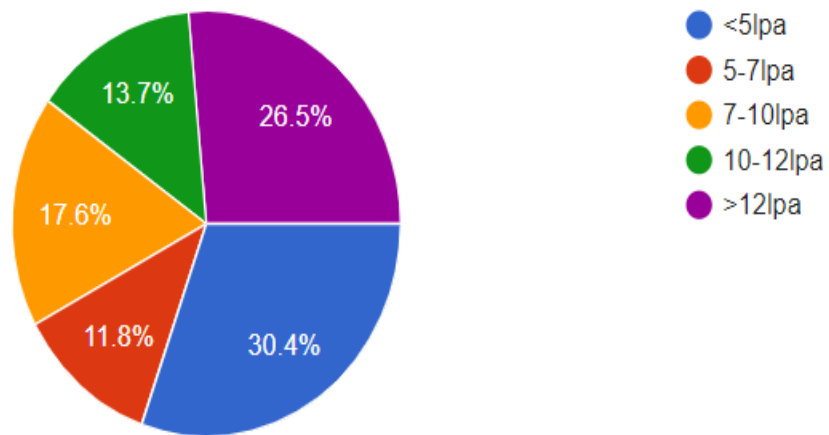


**Figure 3.2: Distribution of Population on the Basis of Age (in years)**

**Annual Salary:** Most of the people in our target population were working and earning. Since, the involvement of young population in the research process was more, around 30.4% had annual salary below 5lpa whereas around 26.5% population was earning more than 12,00,000 per annum. Rest of the distribution on the basis of annual salary is shown in the following pie-chart:

### Annual Salary

102 responses



**Figure 3.3: Distribution of Population on the Basis of Annual Salary**

There are other means also of distributing the target population but those parameters are more specific and are more related to the objectives of the project. Therefore, those parameters will be discussed in the next chapter on Data Analysis and Interpretation.

## **CHAPTER 4: DATA ANALYSIS AND INTERPRETATION**

As mentioned in the previous chapter on research methodology, the primary research part of the subject is based on the survey on different individuals from different geographical area within India to understand their buying pattern and brand loyalty in case on antiseptic and disinfectant market. The basic classification and distribution of the target population is already done in the previous chapter on the basis of age and annual income. Now, this particular chapter is oriented towards main objective based questions asked and the analysis of those responses along with interpretation part. So, all the questions that will be discussed in this chapter will be on antiseptic or disinfectant market and will be helpful in the analysis of the market leader and the future scenario in India.

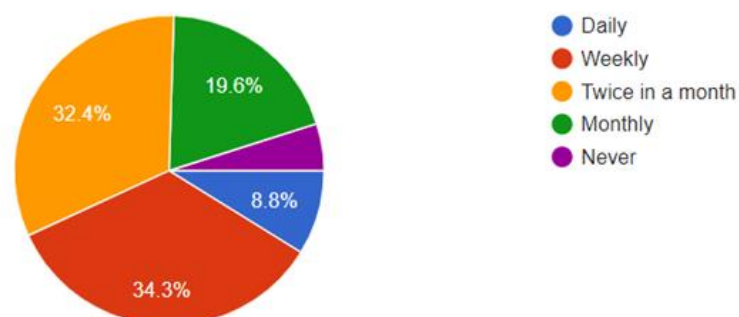
### **Analysis of Frequency of Visiting Grocery/ Chemist Stores and Purchasing**

#### **Disinfectants:**

Since most of the disinfectants and antiseptic products are sold via either grocery stores or chemist stores in India, it is very important for us to understand the frequency of visiting these stores in the target population. This will be helpful in determining the frequency of buying disinfectants or antiseptics when a person is visiting a grocery store.

Total number of individuals: 102

From the figure 3.2, we know that 10.8% of the target population is below the age of 20 years and therefore, chances of them going for grocery shopping is really less (4.9%). So, the final distribution is as follow:

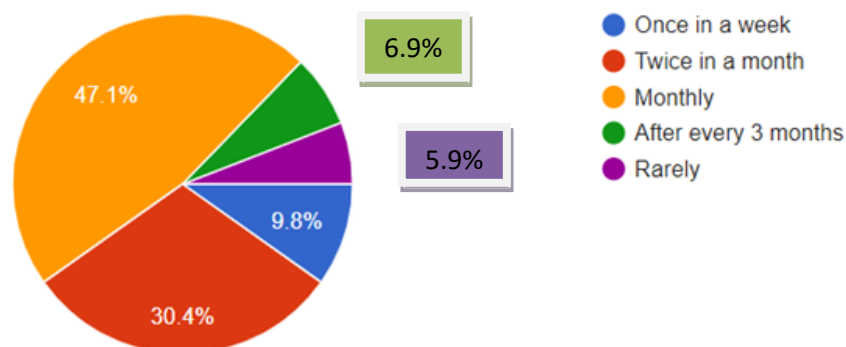


**Figure 4.1: Distribution on the Basis of Frequency of Visiting a Grocery Store**

**Interpretation:** Out of 102 respondents, 34.3% population visit a grocery store or a chemist store once in a week whereas 32.4% population visit these stores twice in a month. This shows that the frequency of visiting these physical stores in Indian population is very high. So, there is a potential market for disinfectants and antiseptic products in India if those products are getting sold via these stores. 8.8% population visit these stores on a regular basis which means these are the elder people (10.8% from figure 3.2) who require medicines on a regular basis or other scenario can be of those people who fulfil their requirements on a daily basis.

For disinfectant and antiseptic market the target population is of mid-aged people. 66.7% people visit the stores either once in a week or twice in a month. This is the target population that can increase the market share of a new entrant in disinfectant market.

The following figure shows the frequency of buying a disinfectant after visiting above mentioned stores:



**Figure 4.2: Distribution on the Basis of Purchasing a Disinfectant After Visiting a Grocery/ Chemist Stores**

Interpretation: Out of 95.1% population who visit these stores at least one in a month, around 47.1% people buy a disinfectant or an antiseptic once in a month and 30.4% people buy these products even twice in a month. This data shows that the potential market for the new entrant in this market is very active and people (based on the size of family and requirements) buy

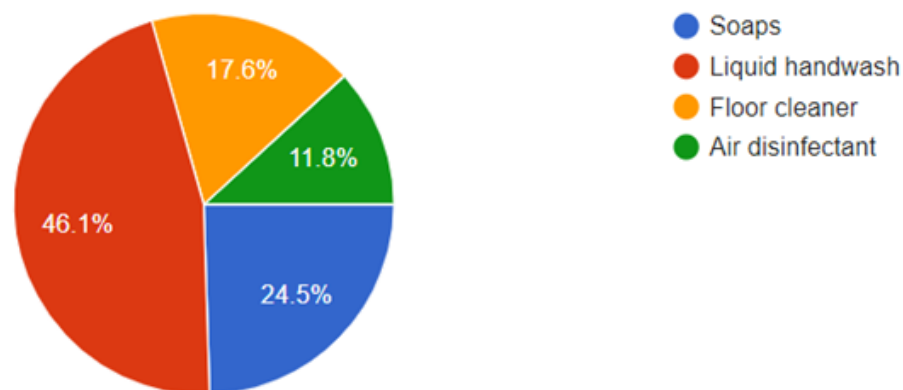
these products very actively. So, if the positioning is done in an effective manner, the potential market is huge for disinfectants and antiseptics.

A large number of products fall under the category of disinfectants. Some of the major products that customers look for under this category are mentioned in the following section of product portfolio analysis.

### Product Portfolio Analysis of Disinfectants (majorly) and Antiseptics:

There are a lot of products which fall under the category of disinfectants and antiseptics but it is difficult to study all of them at a same time. Some of the products have a huge market share contribution where as some are contributing even less than 1%. So, the following discussion on the product portfolio is based on those products only that customers prefer the most and all other products that contribute less than 1% in market share will be ignored for the effective discussion and analysis.

So, the question asked was- *“which product do you buy the most in disinfectant segment?”* and the responses received are following:

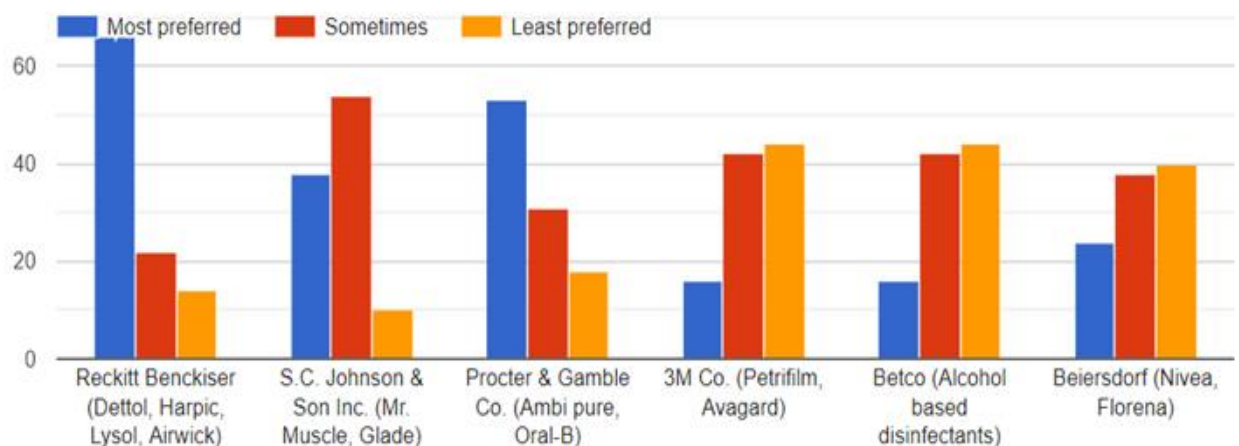


**Figure 4.3: Product Portfolio Distribution in Disinfectants on the basis of Customers' Preference**

**Interpretation:** Above mentioned is the distribution of 4 major products on the basis of customers' preference in disinfectant segment. If most of the population is visiting stores on at least once in a month basis (as discussed in the previous section), it is somehow obvious that they would be looking for a product that is getting used on a regular basis. Therefore, 46.1% population buy a liquid hand wash when they visit a store and 24.5% population buy soaps. Air disinfectants and floor cleaners are some of the products that last long and therefore their sales level in this particular segment is comparatively lower. So, these are the major 4 products under disinfectants that have the maximum market share in Indian market. So, the new entrant should focus majorly on these products if they want to enter this segment.

### Brand Analysis of Disinfectant Segments on the Basis of Customer Preference:

There are 5 major players in disinfectant or antiseptic segment if we focus majorly on international brands that are serving in India. Here, in the following figure, Beiersdorf will be treated as a new entrant in disinfectant segment as the major products the company is providing in India are Nivea, Florena and Antiseptic bands only (similar to Band Aid of Johnson). Other disinfectant products are not getting sold in India by this particular brand.



**Figure 4.4: Brand Analysis on the Basis of Customer Preference**

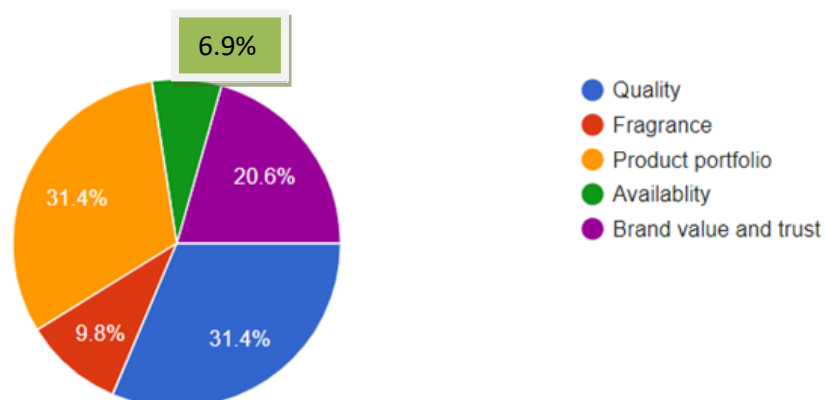


Since, Beiersdorf is a new entrant in this particular segment (and for the further discussion in the project), it will be ignored for this particular discussion.

**Interpretation:** It is clear from the above bar graph that, in case of disinfectants and antiseptics, Reckitt Benckiser is the most preferred brand among consumers as more than 60 respondents out of 120 have marked “most preferred” for it followed by Procter and Gamble, which is also significantly preferred over other brands. SC Johnson & Sons is the brand which is preferred sometimes, which means if the top preferred brands are available in the stores, Indian customers tend neglect this particular brand. Other brands like 3M Co and Betco are the least preferred by consumers. So, we can say that, Reckitt Benckiser, SC Johnson and P&G are the top brands in disinfectant segments having a good brand image and brand value in the minds of customers and if a new entrant is arriving in the market, it has to compete directly with these brands.

*So, for completing other objectives of the project, Reckitt Benckiser will be treated as a market leader and Beiersdorf as a new entrant which will be compared with other brands.*

Based on the above brands, following is the more detailed distribution of the consumer preferences related to the products and intangibles the brands are offering. The question asked was- “*what do you like the most about the brands you are using?*” The response distribution chart is following:



**Figure 4.5: Distribution of Brand Parameters on the basis of Customer Preference**

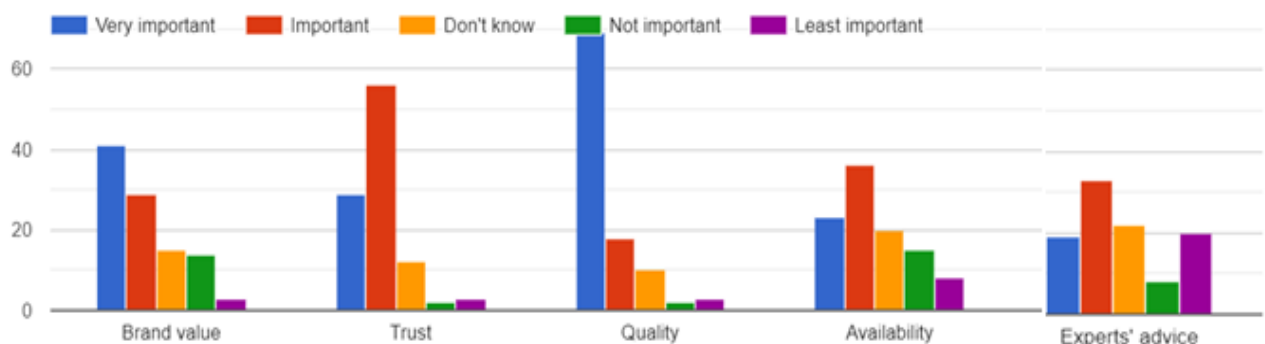
**Interpretation:** After discussing the most preferred brands by customers, it is important to understand what people like the most about the products (brands) they are using. This

particular discussion will help the new entrant to understand the factors that can be enhanced to attract the mass population. Major population believes in quality of the product (31.4%), product portfolio i.e. the variety a brand is offering (31.4%) and Brand value and trust (20.6%). As discussed, most of the market in disinfectant segment was covered by soaps, liquid hand-wash, air disinfectants and floor cleaner still, only 9.8% population prefers fragrance over quality and trust. So, quality is the major parameter along with brand value and trust associated with it in case of disinfectant market. Availability of the product does not matter to the mass population.

**Brand Parameters’ Analysis Along With Brand Preference in Case of Antiseptic and Skincare Product:**

After discussing the preference of customers in case of disinfectant products, it is important to do the same brand analysis and product parameters’ analysis in case of antiseptic and skincare markets as well because in India, all these markets are indistinguishable and run in a together manner. So, for a new entrant, it is also important to understand these markets.

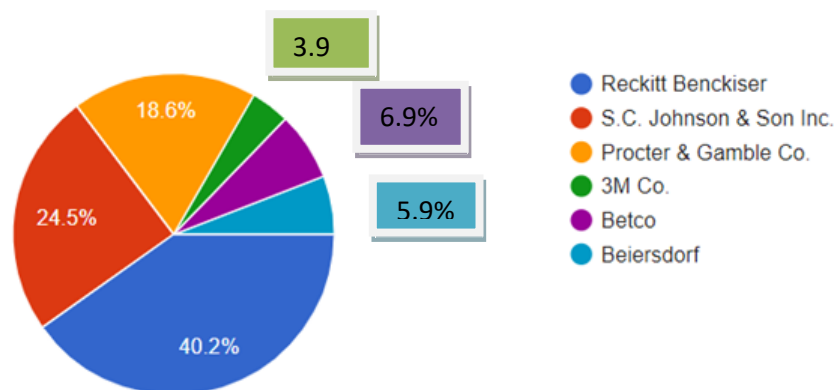
In case of antiseptics, fragrance is replaced by expert’s advice and all the other parameters are almost similar. The question asked was- *“which are the most important parameters in case of antiseptic and skincare products?”* and the responses are as follow:



**Figure 4.6: Customers’ Perception on Different Parameters of Antiseptic and Skincare Products**

**Interpretation:** According to the above bar graph, again, quality is the most important parameter for majority of the population (antiseptic and skincare products). After that, brand value and trust follow the list. People are still not bothering about the availability of the antiseptic and skincare products whereas expert’s advice is the least preferred. This suggests that people are more aware about this particular segment and their decisions are not getting hindered by the other influencers. Another important thing that can be understood from this is that- already available brands in the Indian market are readily successful in terms of quality as well as in creating a brand value and brand image in the mind of customers.

From the following pie-chart, it can be easily understood that even in case of antiseptic and skincare products, Reckitt Benckiser, SC Johnson and P&G are the most preferred brands and people are less aware about the other brands available. In case of antiseptic, ITC also plays a very important role in Indian market with its product Savlon but to restrict the discussion on limited number of brands (on the basis of disinfectant, antiseptic and skincare market), ITC is removed from the discussion.

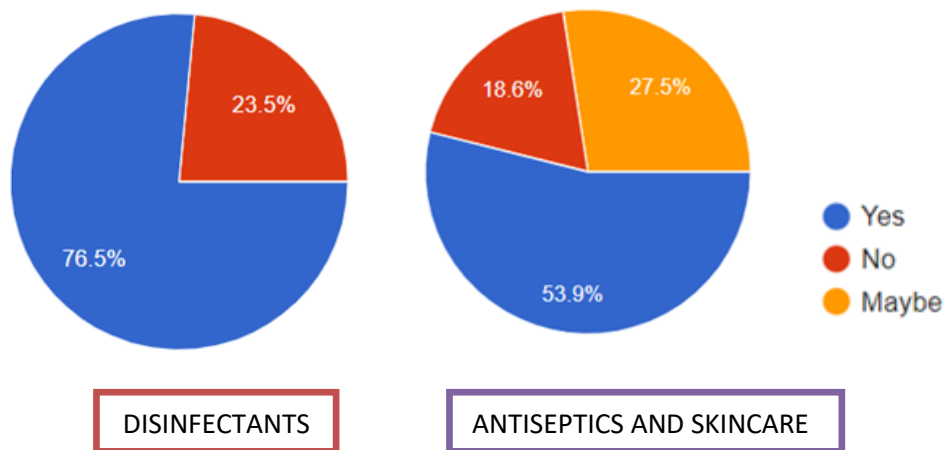


**Figure 4.7: Brand Preference in Antiseptic and Skincare Market**

**Analysis of Brand Loyalty in Customers in Case of Both Disinfectant and Antiseptic Products:**

After discussing all the parameters of disinfectant and antiseptic products available in the market along with the brand preferences of the target population, it is also important to understand the level of brand loyalty in the customers with respect to the brands available in the Indian market. This can become the most important parameter for the new entrant as it

helps us in understanding the acceptability of the products if the new product is being introduced. So, similar question was asked in case of both disinfectant and antiseptic- *“are you willing to switch the brand you use if better options are available?”* and the answers received are following:



**Figure 4.8: Analysis of Brand Loyalty in Customers: A Path for a New Entrant**

**Interpretation:** In case on disinfectant market, 76.5% population is willing to change the brands they are currently using if better options are available in the market whereas, 53.9% people are willing to change the brands in case of antiseptic and skincare products. This shows that customers are not loyal towards brand, rather, they are loyal towards the quality and variety of products these available brands are offering to them. So, if a new entrant is coming in the Indian market with a major focus on quality and variety, the chances of acceptability is much higher in case of both disinfectant and antiseptic markets.

The further discussion on all the objectives is based on the qualitative parameters of the market leader and the new entrant which requires secondary research and analysis.

## CHAPTER 5: ANALYSIS OF A MARKET LEADER AND A NEW ENTRANT

In previous chapter, effective analysis of customers' purchasing pattern and level of brand loyalty was covered on the basis of primary research. Another thing that can be concluded from that discussion is that- most of the people who took part in the survey prefers Reckitt Benckiser over other brands. SC Johnson and P&G are the followers in this particular market domain. On the other hand, Beiersdorf is service by a limited number of products in the Indian market (Nivea majorly) and is way far in disinfectant and antiseptic market.

So, for the analysis of a market leader and a new entrant, examples of Reckitt Benckiser and Beiersdorf will be considered respectively throughout this chapter. This analysis is based on the results and interpretations made in the previous chapter.

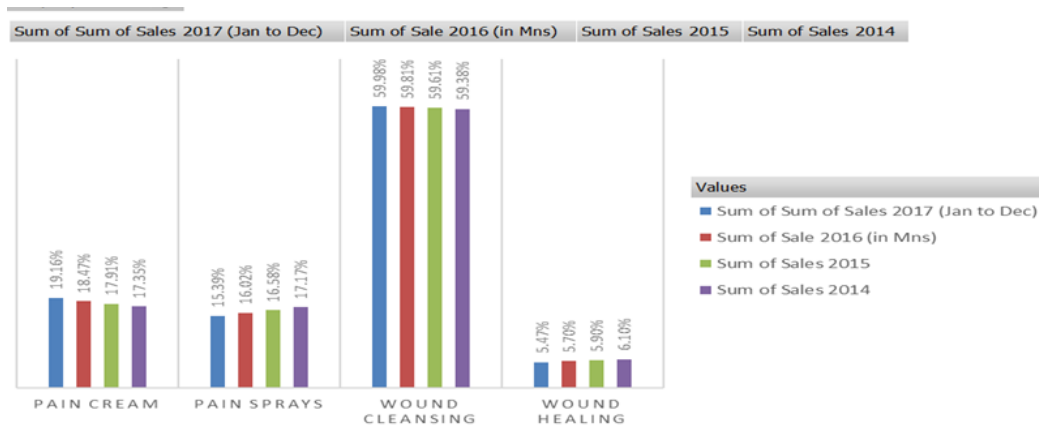
### 5.1. ANALYSIS OF A MARKET LEADER: RECKITT BENCKISER

Reckitt Benckiser is a multinational consumer goods company found in the year 1823, headquartered in Berkshire, England. The company was founded **by J&J Colman (1814), Johann Benckiser (1823) and Reckitt and Sons (1840)**. The company **Reckitt merged with J&J Colman in the year 1938 and in 1999 the merger of Reckitt Colman and Benckiser** occurred. Dettol started its journey as the **'cuts and wounds'** brand in the country but has taken over the country with the role of **'Protector of Germs'** in every situation.

Reckitt Benckiser came into India in the year 1951. When we think of Dettol, the first thing that comes in the consumer mind is Dettol is the **'The most trusted brand in India'**. Dettol was primarily used in first-aids, nursing homes and hospitals. Consumers started making use of Dettol in several other things due to its properties of disinfectant, like-: moping, bathing and shaving.

Dettol's reach was so high and deep in the market that consumers were able to recognise the smell of clinically clean room and they were able to tell **'Dettol like smell'**. A book named **'Planning of Power Advertising'**, Anand Halve (author) mentioned that people were able to tell the effectiveness and efficiency of Dettol due to the reason that the **'Stingy/ Tingly**

**sensation**’ that they get when applied. Whereas, Savlon does not have any stingy feeling, people considered it **‘ineffective’**.



**Figure 5.1: Market Share of Different Products of Reckitt Benckiser**

As seen in the graph above, the **wound cleansing segment in India has shown a positive yet slow growth from the year 2014-2017** due to increase in wound-care awareness and level of injuries has also increased and the bacteria level in wounds have increased due to surrounding. Following this segment is the Pain cream segment, this segment has shown a growth of almost 0.50% in every passing year due to the reason that a lot of people are suffering from some kind of joint pain or muscle pulls, where items like pain creams are advised to use.

Reckitt Benckiser operates in various **segments** and has an extensive product portfolio, those segments are:-

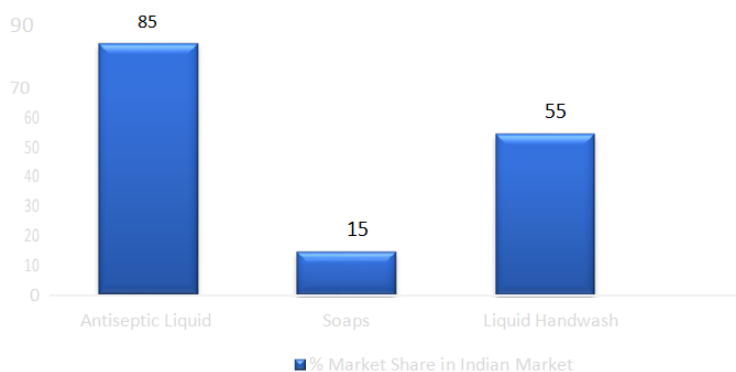
- Healthcare products
- Homecare products
- Hygiene products

**Product Portfolio of Reckitt Benckiser:**

The product portfolio of Reckitt Benckiser can be broadly divided into two broad categories: Health care products and Hygiene Products.

Health care	Hygiene/Home
Dettol	Lysol
Durex	Harpic
Mucnex	Airwick
Nurofen	Mortein
Scholl	Vanish
Strepsils	Woolite
Veet	Finish
Clearsall	Calgon
Gavlseon	Cillit Bang

Dettol is one of the main companies targeted in this report. Dettol has many variants under it, they have **soaps, antiseptic liquid and liquid hand-wash**. The market share of each in the Indian Market is as follows:



**Figure 5.2: % Market Share in Indian Market of 3 Different Products of RB**

RB acquired **Paras Pharmaceuticals**, an Ahmedabad based company. The main purpose of acquisition of RB was to sharpen its healthcare portfolio under its own brand. They acquired various brands from Paras Pharma, namely:-

- **Moov Pain relieve**
- **D'cold Flu**

- Cold Drug
- Krack Foot Cream

Sum of Sale 2017 (in Mns)	Column Labels		
Row Labels	Reckitt	Benckiser	Grand Total
DETTOL		60%	60%
KRACK CREAM		5%	5%
Moov		35%	35%
<b>Grand Total</b>		<b>100%</b>	<b>100%</b>

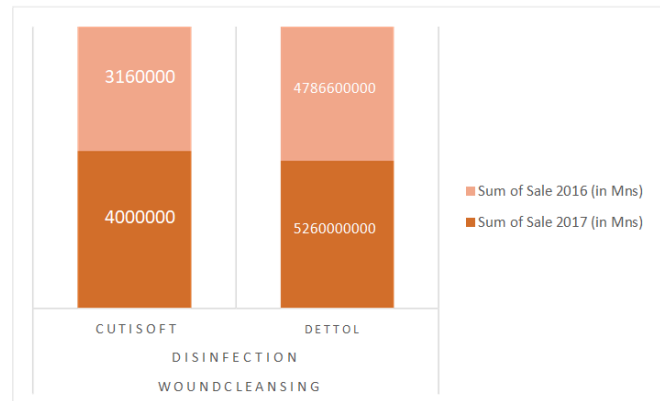


**Figure 5.3: Sales Breakdown of Reckitt Benckiser After Acquisition (2017)**

Reckitt Benckiser generates its maximum revenue from Dettol that is 60% and the acquired brand Moov from Paras Pharmaceuticals now provides 35% sales revenue. RB's most sales generating product is Dettol in antiseptic and disinfectant range.

Dettol has a clear competition with Cutisoft as well in the advanced wound care segment. Even though Smith and Nephew is a leading company in AVC, Dettol has surpassed Cutisoft as well in the Indian market.





**Figure 5.4: Sales Comparison in Years 2016 and 2017**

Seeing the above figure, we can clearly see that Dettol has an edge over Cutisoft with a huge sales margin seen in 2016 as well as 2017. This could be due to that Dettol has been in India since a very long time and has developed that sense of trust amongst its consumer that even when people think of Dettol, they know what purpose the product serves. Whereas, most people won't be able to tell what purpose Cutisoft is going to serve to a person or they may not even have heard of the brand or the company.

## **5.2. ANALYSIS FOR A NEW ENTRANT (BEIERSDORF)**

For the market of disinfectants and antiseptics, Beiersdorf can be considered as a new entrant as it has a limited number of products in the Indian Market and has a potential to enter these segments with great ease. All the important aspects and parameters of the company will be considered in this section of the chapter including the feasibility test to enter the Indian market.

### **Feasibility Test for Beiersdorf to Enter the Antiseptic/ Disinfectant Market Segment:**

After analysing the industry, we can clearly see that the industry is ruled by Dettol because of their long history in the country and how they have developed trust with the consumers. They have conquered 80% of share in the market where Savlon only has a 6-10% share in the Indian Market.

The wound cleansing (60% approx.) market has shown the most growth in sales (2017) as compared to others fields like pain sprays (15% approx.), pain creams (19% approx.) or Wound Healing (5% approx.). Out of different products of antiseption (Liquid, Soap and Handwash), the most market growth is of Antiseptic Liquid (85%).

When it comes to antiseptic products, we can also **think of antiseptic creams**, that Beiersdorf can invest in creams as well but there are **various drawbacks** in that:

- **Absorption level:** When a cream is applied onto a wound, it takes time for the wound to absorb the cream to even show the effect, which consumes a lot of time of the person injured to move forward with the dressing part.
- **Hygiene level:** Antiseptic cream because it tends to take time to get absorbed, it **attracts more dust** to it. Dust tends to get stuck on moist things the most which make the wound more **prone to more germs and bacteria** which might not really heal the wound but make it more prone to infections.
- **Adhesiveness:** Moist things tend **not to hold things intact** in place so putting a bandage over it is going to be difficult because the stickiness of the wings of the bandage tends to lose the ability of adhesiveness on to the wound, which makes protecting the wound from environment difficult. This could lead to not using bandage but using other type of dressing like the “**white cotton bandage**” which takes time to put because it required cotton to protect the wound from direct contact and then the white bandage and lastly wrapping the white doctor’s tape to keep it intact and in place.

Seeing the factors above, it can be seen that investing in a cream than a liquid will have a lot of drawbacks, where Beiersdorf stand for hygiene and protection against germs, investing in producing a cream can take care of infection but hamper the sales of bandage.

### Sales Assessment:

To enter an existing market with a new product, it is required by the company to raise funds to produce the product and enter the market. Since in India Beiersdorf generates revenue in the wound-care segment is through its bandages. They directly compete with J&J product Band-aid. The sales were as follows:

Row Labels	Sum of Sale 2017	Sum of Sale 2016	Sum of Growth (2016-15)
Beiersdorf	55.87%	53.80%	2%
Johnson & Johnson	44.13%	46.20%	-2%

**Figure 5.5: Sales Comparison with J&J in Already Available Products**



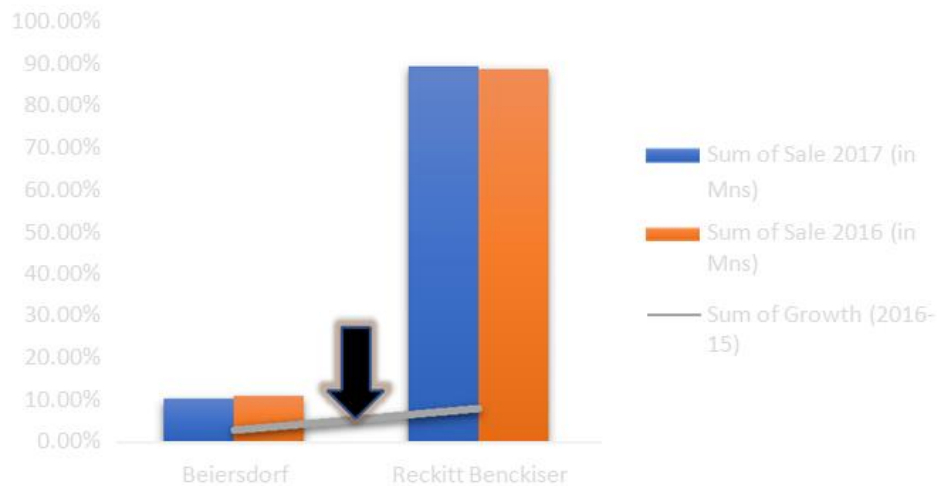
**Figure 5.6: Sum of Sales and Sum of Growth Comparison with J&J**

Seeing the above graphs, it can be clearly inferred that the sales of both companies that have neck to neck competition in the market have huge sales in their basic plaster segment. Beiersdorf clearly has high as compared to J&J and has generated a huge amount of profit as well, even better than J&J. Although the fact is J&J rules the market and has a bigger market share, seeing the above graphs we can see even if he rules the market with bigger product portfolio, Beiersdorf is selling more bandages than J&J is and has shown a **positive growth of +2** but J&J has a negative **growth rate of -2** from 2016. Beiersdorf has several variants in bandages like XXL bandage, spot bandages etc, which enhances it sales and revenue generation even more to introduce new product in market.

Whereas when it comes to comparing the competitive market with Reckitt who's the market leader, the sales were as follows:

Row Labels	Sum of Sale 2017 (in Mns)	Sum of Sale 2016 (in Mns)	Sum of Growth (2016-15)
Beiersdorf	10.32%	10.97%	3%
Reckitt Benckiser	89.68%	89.03%	0.08

**Figure 5.7: Sales Comparison with Reckitt Benckiser**



**Figure 5.8: Sum of Sales and Growth Comparison with Reckitt Benckiser**

As seen above figures, it can be seen that the sale of Reckitt Benckiser has a much higher impact as compared to Beiersdorf but Beiersdorf's growth is increasing at a better rate than Reckitt's. The reason of Dettol's higher share is:

- Dettol is a **multipurpose product**. It is used during bathing to protect skin from skin-related issues like acne, used in water to mop the floor to disinfect the floor for kids and for its main purpose wound cleansing, whereas there is no multipurpose for bandages besides putting them on wounds. Dettol's distribution channel is very strong. Each Area Sales Manager has 8 Territory Sales in-charge and each Territory sales in-charge has 8 distributor representatives reporting to him/her and they have separate Area Sales Manager for distributing on Modern Trade. The margins provided by Dettol are higher and market division is also detailed and is divided in 8 parts than 4, which Beiersdorf currently operates on.
- Seeing Reckitt also sells its product through modern trade as well and Beiersdorf refrains himself from investing more on online sales due to the reason that they see slow growth on those platforms. The focus more on selling in Chemists and E-commerce platforms, whereas Beiersdorf pushes its products through mostly Chemists.

When it comes to sales, Beiersdorf has a clear edge over J&J even when we only compare basic plasters of both brands, the sales of Hansaplast is clearly very high yet due to extensive product portfolio of J&J, J&J just has an edge over Beiersdorf on basis of products only. The quality is superior as compared to J&J and the price difference gives an edge to Beiersdorf to

penetrate market. The sales growth has also been positive for Hansaplast in past years as compared to J&J with a rapid +2%. When it comes to comparing Sales of Reckitt Benckiser and Beiersdorf, Reckitt clearly has an advantage of revenue due to various factors like extensive distribution network, the division of market is in much more smaller areas (8 areas) which helps them cater the needs of vast customer base. But the growth of Reckitt has slowed down whereas Beiersdorf has shown a growth of 3% and sales have also increased over time.

### **Beiersdorf's Edge over J&J:**

- The product quality is higher than J&J band-aid and the cost is low as compared to J&J Band-aid. The Hansaplast bandage is made of 'fibre' rather than a plastic exterior like Band-Aid. The fibre cloth protection provides a much better adhesiveness and protection to the wounds as compared to plastic since it doesn't get stretchy and has less chances of tearing and has better comfort in wearing for a day long time or even more. The varieties of products that they have under Hansaplast bandage are very wide. They have XXL bandages, spot bandages, waterproof and a separate kit for kids with animated characters to encourage children to wear some '**Funky and Cool**' bandages.

### **Some main challenges faced by Beiersdorf in the current Indian Market are as follows:**

- 1) Weak Distribution Channel / no intensive distribution strategy (Focused Distribution than extensive distribution).
- 2) No marketing strategies incorporated by the company/ no push strategy in the market (no promotional activities are pushed forward by the brand).
- 3) Lack of availability of the product in the markets (Kirana stores, general store or chemists) where most people make their daily purchases from.

### **SWOT Analysis of Beiersdorf:**

<p style="text-align: center;"><b><u>Strength</u></b></p> <ul style="list-style-type: none"> <li>□ More variants in Bandage Product Range</li> <li>□ Strong Position of Brand NIVEA</li> <li>□ Better Product Quality</li> <li>□ Leader in Pain Plaster Segment</li> <li>□ 2 Manufacturing Plants in India</li> </ul>	<p style="text-align: center;"><b><u>Weakness</u></b></p> <ul style="list-style-type: none"> <li>□ Weak Distribution network</li> <li>□ No marketing Effort</li> <li>□ Lack of availability</li> <li>□ No brand mental Re-collection/ no brand <u>positioning</u>.</li> <li>□ Beiersdorf is known only for the Skincare brand NIVEA</li> </ul>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>□ <b>Antiseptic/ Disinfectant Cleansing Liquid market</b></li> <li>□ <b>Antiseptic Cream</b></li> <li>□ Pain Relief Balms/ Sprays</li> <li>□ Introducing More Products in the Footcare <u>market</u>.</li> <li>□ Selling in hospitals directly rather than through Chemist or other <u>ways</u>.</li> </ul>	<p style="text-align: center;"><b><u>Threat</u></b></p> <ul style="list-style-type: none"> <li>□ Beiersdorf and Smith and Nephew's Joint Venture (BSN)</li> <li>□ Weak Distribution could disrupt the market of other segments, i.e., of Pain Plaster and <u>Foot care segment</u>.</li> <li>□ Increase in advance Wound-Care Market</li> <li>□ High Competition from Indian Brands like Amrutanjan and local brands</li> </ul>

**Strategies for Beiersdorf to Enter the Antiseptic Market:**

After analysing the above information, we can see the consumer perception about antiseptic products is very significant which helps a company in that specific perception to move forward in business and investing money in producing an antiseptic liquid is better than investing money in creams. To produce liquids, Beiersdorf needs to strategize smartly to

leverage its growth and push its product in the market. Some strategies that can be undertaken by Beiersdorf to launch the product are:

- Beiersdorf sells more of its bandage due to the fact that they are priced slightly less than J&J. When they will introduce a new antiseptic liquid, they **can set price lower than Dettol**. Dettol has segmented its market in 70:30 ratio i.e. 70% urban and 30% rural. Beiersdorf can leverage its price advantage **and penetrate deep in rural market**. Rural market has shown a significant growth at the rate of 6.2% since 2000. Consumers in the rural area will be able to afford a cheaper yet good quality antiseptic liquid in home. They can set their price which cuts Dettol's sales down due to price factor. They can divide the market in 60:40 ratio. Seeing there is tremendous growth in rural sector and is an under penetrated market, Beiersdorf should leverage that opportunity. With the right size and right price, the rural market can be dominated.
- They can bring in variants in the product, in terms of packaging. They can have a cartoon related packaging for kids, since they tried to target kids in their previous advertisements. Their favourite and popular characters on the packet will encourage children to insist their parents on making purchase of the specific brand. The product package should also mention the '**multipurpose**' of the product. That is, it can be used in bathing, moping, cleaning and disinfecting the area.
- When Beiersdorf formulates the product, they should produce the antiseptic product in such a way that it **enhances the ability of their bandage product as well**. The product should be formulated in such a way that if comes into **contact with their bandage the healing process should get faster than usual**. That is, if it takes 4 days for a wound to heal, the combination of their liquid and bandage pad will become even more effective and efficient in healing the wound. The bandage pad also has antibiotic features which protect the wound, so they should formulate their antiseptic in such a way that it supports other brand bandages too but shows double efficiency with its own product.
- They can introduce their product on **a medical platform like medical conferences**, since they stand on targeting doctors directly and selling them products. Introducing product on a medical event is going to be beneficial. Through this they will be able to **showcase doctors the benefits of their product**, which will lead to doctors recommending the product to their patients and utilise them in their clinics or hospitals and sell in their in-built hospital chemists.
- Reckitt Benckiser threatened its retailers to cut margin because they saw drop in margins. They had two options, either to cut price of the product or to cut margin of retailer by 10-

15%. They couldn't cut price, maybe because they already have set the best price for the product. Hansaplast should **not indulge in neck to neck pricing** but he **should cut the price where Dettol is not able to reach** and then sell and gain greater market share and profit, because they made their product easy to purchase due to better pricing. They can offer a slightly higher margin to its distributors so that those distributors will push Hansaplast antiseptic liquid more than Dettol due to margin difference.



## **CHAPTER 6: CONCLUSION**

From both the chapters on primary as well as secondary research, there are many points that can be concluded based on the analysis of consumer behaviour and pattern of purchasing behaviour, analysis of the market leader and analysis of a new entrant that is already serving some of the segments in India. Formulation of strategies for a new entrant was equally important in understanding the basic concepts underlying marketing management. So, finally, it can be summarised as:

- Consumers are more sensitive towards the quality and trust factor the brands are providing rather than the tag associated with the brands. There are lot of gaps available in the existing market which can be fulfilled by the entry of a new product with a special focus on quality and price.
- Indian market is open and people are not brand loyal in case of antiseptic and disinfectant market as most of the target population was ready to switch their brand if the better products are available in the market. Their parameters of assessing an antiseptic product or a disinfectant product are different from how a marketer looks at it.
- The healthcare industry in India has been growing ever since due to various factors like increase in infrastructure sector, increase in frequency in blood test and decrease in usage of desi methods to heal wounds. Government of India is also spending an increasing amount of total GDP into the healthcare segment. From 1.4% they want to increase to up to 2.5% by 2025.
- As it was seen that J&J and Reckitt Benckiser both have a higher market share in the Indian Market, this could be understood due to the reason that these companies have divided their market in an even narrower group. They both have a more than 5 markets.
- Reckitt Benckiser has an increasing sale yet slow growth due to increasing competition in the market. Savlon is the biggest direct competitor to their product 'Dettol'. Reckitt Benckiser has a threat from Savlon even more after the brand has been purchased by ITC, where ITC is known for its deep market penetration and distribution channel.
- Companies who want to enter the market and want to sustain cannot be relatively new companies due to the reason that brands like Dettol and Savlon have already created a market for them and have build that sense of trust within their customers. Consumers are very hesitant to make purchase of any other medical product substitute when their required product is not

available in the chemist. For example, if a consumer wants to buy Dettol but isn't able to find it anywhere, he will not switch to a product that they have not heard of or is new in market due to lack of trust in the brand even if the price is cheaper than Dettol.

- The companies who are able to sell their products forward, they provide a higher margin to their distributors. Those distributors push their products more in market than their competitors due to the reason the higher the margin, higher the push.
- In market, even if a company has low sales but has extensive product portfolio in market and has indulged in great promotional activities through their year, they can sustain in the market. Company of such example is J&J in the wound care market. Beiersdorf has much more sales than J&J but the market share of J&J is higher as compared to Beiersdorf due to better product portfolio (revenue of other products) to push its sales losing product forward.
- Customers have specific perceptions about antiseptic liquids while making purchases of the same. If Beiersdorf wants to enter this market they have to formulate their new brand product in such a way that customers can instantly make purchase for their liquid because they can relate to the perceptions they have made in their mind about antiseptic liquids.
- Beiersdorf should invest their revenue in developing a liquid rather than a cream, because there are several drawbacks in investing in wound cleaning/ healing cream like absorption is slower, stickiness of dust is higher, hampers the adhesiveness of bandages etc.

### Recommendations and Suggestions for a New Entrant (Beiersdorf):

When an old company wants to enter an existing market with a new product, there are various things they need to understand and **check within their company and understand the external environment as well**. The main agenda behind the report was to understand that if Beiersdorf wants to enter the antiseptic liquid market, should they enter? (assessing the growth of industry and market) and if the market is feasible, how can they? (Strategy to enter). They need to understand move forward through these ways:

- **Description of the industry:-** Since the industry has shown a positive growth throughout years and is expected to be an estimate of Rs31000 crores due to rise in consumption, it is suitable to say that Beiersdorf can enter the market with their new product. The industry since is highly dominated by 1 company (Reckitt) and other companies have very less share in the market and

only old companies have a dominant share, they can easily enter the market through '**Product and price penetration**', in Indian market where customers are very price sensitive, a cheaper product from a trust worthy company is welcomed in the market.

- **Current market analysis:-** The current market is growing due to various factors like income of the population in India has increased over time and is expected to grow even in future. Beiersdorf needs to **tap onto the growing income level and price their product accordingly in the Indian market**. Price sensitive customers may switch from one brand to another due to the reason that level of substitutes is always there. The current market assesses customers as well. The customers, due to set perceptions have difficulty in introducing new products into their family due to health reasons. Older companies are able to sustain better due to higher reach and developed customer base.
- **Competition:-** Since Reckitt's product Dettol is going to be the biggest competitor to Beiersdorf's product. Beiersdorf needs to first over take the perception consumers have of Dettol while keeping theirs as well because their distinction from Dettol like '**innovation and modern level**' helps them to differentiate them from Dettol. While maintaining their own identity they should try to bring in those factors as well like '**recommendation by medical professionals**' because Dettol is leader and customers will always compare them with Dettol's efficiency and results.
- **Anticipated Future market Potential:-** since there has been a growth in the rural market of Indian and it has seen a growth of 6.2% in the past decades. The future market is rural market because people in these areas are more prone to injuries because these people are mostly involved in direct labour in infrastructure development and construction, these people are more prone to injuries. Reckitt Benckiser stated that rural market in '**highly underpenetrated**'. Beiersdorf can leverage this because they sell their products at a cheaper rate than their competitors, they can cut their price lower than Dettol and then sell in this market so that rural consumers can make frequent purchases.
- **Sources of Revenues:-** Beiersdorf can increase their sales by introducing the fact of '**multipurpose**' in their product. A multipurpose product can be used for several things like bathing, moping etc. They should mention uses on the label of the product so the consumer can make use of these solutions easily, which will to lead to product finishing faster and the

consumption increasing. New parents are very concerned about what their infant child put in their mouth, they tend to put toys that were on floor, a floor everybody walks on and has the most germs. Due to multipurpose factor, mothers can easily clean these toys to disinfect them for the kid to play.

- **Formulation-:** When formulating product, Beiersdorf should formulate their product in sync with their Bandages formulation. The more sync they are in with each other, both the products will leverage the speed of wound healing. Antiseptic liquid should not be reactive on skin, it should support sensitive skin as well. The efficiency should become **double if used together** and it should be proven to doctors in medical conferences so that they can make recommendations which seeing shows the utmost trust. Their product should not have a stingy feeling when applied since the person who is already wounded is in pain, a stingy feeling on top of the wound could lead to more pain and in kids it might create fear in their mind that application of an antiseptic liquid wound sting on their wound. They need to break this mindset in their minds, that **every good doesn't necessarily hurts!**
- **R&D-:** When it comes to R&D, Beiersdorf has a plant in Gujarat and Goa where R&D is supported, they can begin from there if they want to operate in India and start selling here. They need to invest their revenues generated in basic plaster and XXL segment into R&D for formulating new product. Seeing their growth rate as compared to market leader has been positive, they can invest this money in developing a small R&D facility with their existing one and manufacture here in India and take **advantage of government initiatives like 'Make in India'** and also be able to cut cost of import from other countries like Germany.
- **Promotion-:** They do not need to change their advertisement cater mothers, since J&J and Reckitt focuses on mother related advertisement. Beiersdorf doesn't has to. They can depict in their advertisement as to how the pain of the child affects mother and how the kid wants to get out of pain immediately but the liquid put on him is irritating the wound. Beiersdorf product since will have no stingy feeling, can be used easily to clean because when it will come in contact with wound, it will be comfortable and will be absorbed by wound fast without any delay and will show comfort.

So, these are some of the suggestions that a new entrant can easily follow to enter the existing market of disinfectant and antiseptic products. Consumer behaviour is not a constant phenomenon as it changes over time and based on the resources available, condition of the market and availability of disposable income.

## **CHAPTER 7: LIMITATIONS OF THE STUDY**

There were certain limitations that were seen during the study, they were:

- An exact comparison of Beiersdorf and Reckitt Benckiser was not possible due to lack in-depth knowledge about Reckitt Benckiser.
- Both the companies currently operate in different segments so the only comparison that could be done was on only few basis:
  - Sales of the companies
  - Market Share in the Indian Market
  - Presence
- A customer response base was developed but it had a limited number of questions only which were not sufficient in gathering the information about the production process and specific personalised expectations of customers in case of both antiseptic and disinfectant market.
- Time constraint was there in gathering information about industry in a deeper level to make exact judgements.
- Reaching distributors of Reckitt Benckiser to gather exact information was a constraint during the study. The why it was pre-planned could not be executed due to exceptional situation of COVID-19. Field survey was not possible under those circumstances and therefore, had to rely more on the information available on the company's websites and various other sources.
- It was difficult to do test like regression analysis and other SPSS based tests on the data obtained from the survey.

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