



CLEANING UP

Hindustan Unilever has entered the surface cleaning market with Cif. Here's how it fits into the company's strategy

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Hindustan Unilever has faced several challenges in the recent past. Nimble-footed rivals have nibbled market share, commodity prices have been volatile and consumers have resorted to down-trading.

But Hindustan Unilever has its strategy ready. To begin with, it has begun a state-wise strategy that deploys only relevant products in a given state or district. This means the supply chain is now more efficient. It has taken corrective steps on the pricing front too. Rivals can no longer flog their lower prices. Equally important is the company's strategy of increasing the speed of innovations and launches.

Thus, in June this year, it decided to enter the surface cleaning space by bringing in its international brand, Cif, to the country. Cif is the first cream-based cleaning brand in the world and is the largest household care brand in Europe and South Africa. In India, Cif has been priced at Rs 53 for 270 ml.

The surface cleaning market is small in India but it is growing at a fast pace. But that's just one way of looking at it. *The strategist* explores how Cif fits in with the overall strategy of Hindustan Unilever and how it executed the launch.

Specialist cleaner

At present, the overall household cleaning care category stands at Rs 1,240 crore. Out of this, utensil cleaners make up Rs 950 crore and surface cleaners the rest. The market for surface cleaners has three segments: toilet cleaners (Rs 180 crore), floor cleaners (Rs 75 crore) and specialist surface cleaners (Rs 35 crore). Cif fits into the last category which is growing at over 24 per cent per annum.

Hindustan Unilever has had a strong presence in utensil cleaners, toilet cleaners and floor cleaners with brands like Vim and Domex. With these brands, it has a 49 per cent share of the household cleaning care market. "We felt that we were not represented in the small specialist surface cleaner category and it's important we are present there as the category is growing rapidly," says Hindustan Unilever Vice-president (home care and skin cleansing) Sudhanshu Vats.

But what prompted the company to launch the four-decade old brand now? "Timing is very important," says Vats. In the last few years, the construction of new homes has happened at a blistering pace and

the average age of buying a home considerably down. "We find the quality of consumers and surfaces have gotten more sophisticated and these surfaces need specialist products," he adds. Thus, the company introduced Cif.

Moreover, with more and more women working there was the need for a contemporary product for cleaning surfaces at home. So far, proxy products like dish wash bars and liquids were being used for this work

er called Living Standards Measure or LSM to confirm what it felt. LSM can range anywhere between one and eighteen—a higher score shows a higher living standard. On that scale, India is a LSM 3 nation. Typically, a product like Cif needs the market to score five or above. Still, the company felt the Indian market was ready for Cif.

Is there a market?

In the company's assessment, about ten per cent of Indian households could buy Cif. This makes it a market of over 100 million people for the brand. This is still well above the population of many Western European nations. To ascertain this, marketers at the company went door to door to observe the living standards of the urban population. "Twenty years ago, we wouldn't have been able to launch a product like this but today things are different," says Vats.

Nikhil Vora, an analyst with IDFC-SSKI Securities, agrees: "Products like this make sense as the potential for home products is very good." However, the downside, as

Vora points out, is that the category is fairly small and only relevant to the urban population. "I suppose the idea would be to be a first mover in this high growth segment. But Hindustan Unilever will have to keep feeding it with investments till the brand gains traction," he explains.

With that in mind, Hindustan Unilever has deployed a 360-degree campaign for Cif. It has bombarded television and radio with advertisements. Additionally, demonstrations are being carried out across malls and modern trade.

However, there's one area of concern for the company. By and large, consumers in India are known to be averse to gel-based or cream-based products as the format is associated with gentleness and wastage. "That's true, that's why our proposition is tough cleaning with care," says Vats. To suit that, the company's communication is tweaked to show that one drop is enough and lasts longer as well.

But the ride isn't going to be smooth for Hindustan Unilever. Rivals too have their eye on the small surface cleaning market. Dabur's Dazzl, Reckitt Benckiser's Easy Off Bang and SC Johnson's Mr Muscle are all set to fight Cif tooth and nail in this space.



CIF FITS INTO THE Rs 35-CRORE SPECIALIST SURFACE CLEANERS CATEGORY WHICH IS GROWING AT OVER 24 PER CENT A YEAR