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SUDHANSHU VATS
Vice-president (home care),
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COMFORT FACTOR

Hindustan Unilever has rolled out a fabric conditioner after almost four years of test-marketing. Will it find enough buyers?

Byravee Iyer

There's a silent movement going on at Hindustan Unilever Ltd (HUL). In the last one year or so, the FMCG giant has put marketing resources behind niche products like hair conditioners, small-surface cleaners and now fabric conditioners. This is a far cry from what happened almost a decade ago when HUL had decided to focus on 30 of its most powerful brands. "There's a great need for market development; and as the leader, the onus is on us," says HUL Vice-president (home care) Sudhanshu Vats.

HUL has introduced Comfort, a fabric conditioner with its origins in the United Kingdom around 1969, all over India. It is a small market; fabric conditioners form a minuscule part of the Rs 12,700-crore fabric care market. Other products that make up this market are washing powders (55 per cent of the market), washing bars (35 per cent) and even soaps (10 per cent). In mature markets, fabric conditioners occupy a large share of this market. According to Vats, even an emerging market like Thailand uses fabric conditioners extensively, making up as much as 40 per cent of the overall fabric care market. Obviously, with household incomes on the rise in India, HUL sees a huge upside to the business.

Within the fabric care space is a further division known as pre-wash. Fabric conditioners come under this category. For

company, Comfort has liquid blue products like Ujjala and Jyothi Laboratories and Robin of Reckitt Benckiser. The category also comprises starches as well as fabric whiteners.

At present, HUL is the clear leader in the fabric care segment with a 37 per cent share of the market. Procter & Gamble is a distant second. However, P&G has been growing over the last few months. In June 2009, P&G's value share was 11.6 per cent; six months later, that number had grown to 16.5 per cent. All this was supplemented by some serious on-screen mudslinging by both the companies for their respective brands.

Trial run

While the battle for a greater share of the detergent market rages on, HUL is keen to grow its fabric care portfolio in more ways. Thus, it launched Comfort in 2006. Aware that it was niche segment and required twice the effort, HUL played it safe and test-marketed it extensively in Tamil Nadu for two years. According to Vats, there were three main reasons for test-marketing in Tamil Nadu: Media can be isolated, the region is known for faster brand adoption and modern trade has a better presence there. After two years of test-marketing, HUL decided to extend the brand across all of South India. After a year and a half,

the company has finally introduced Comfort across India in April this year.

But why did the FMCG behemoth need almost four years of test-marketing? "We had a very good ad, right price points and dipsticks showed the awareness was good, but it was not really getting converted into sales," explains Vats. To tackle that, Vats and his team used a two-pronged strategy of awareness and trial. "We realised that there is inertia to try new products, especially in this category; hence we really had to educate consumers and balance above-the-line communication with below-the-line activities," he adds. Comfort is targeted at housewives in Tier I, II and III cities. Internally, HUL has a living standards measure or LSM scale. Typically, a product like Comfort needs the market to score five, making up about 10 per cent of Indian households.

In the test-market period, it came out with two advertisements. The first one in 2006, which aired for over two years, showed clothes talking to one another. The next ad, which aired in 2009, was a testimonial-based campaign. Meanwhile, on-ground activities included trials and sampling. To that end, HUL would bundle sachets or small 200 ml bottles of Comfort along with Rin and Surf. "It was a natural extension," says Vats. In addition to that, it introduced neck tags to educate con-

sumers on how to use the product.

Allen concept?

Despite all this, market analysts are a tad skeptical. Some say that Indian consumers will be reluctant to spend that extra buck (Rs 35 for 100 ml and Rs 100 for 800 ml) on a fabric conditioner as the concept is alien to them. For clothes that do require care and attention, consumers prefer to take them to the neighbourhood dry-cleaner. Aware of that, Vats says, "Which is why it is up to us to educate and make people aware."

Anand Halve of Chlorophyll has a different take. "Why does such a large company have such a small ambition to enter such a niche category? It's like Hercules fighting a rabbit when he should be taking on a dragon."

Still, the company's efforts have paid off to some extent. From zero penetration, Comfort has managed 10.4 per cent market share in Tamil Nadu; and within the pre-wash category it has 33.6 per cent of the market in the region. "There was a time we struggled to sell even a tonne, and now we're selling in triple digits in Tamil Nadu." If all goes well, Vats can hope to replicate Thailand's success in India, which would translate to a whopping Rs 5,000 crore business in ten years. With no real rival in the space, this would mean unconditional success. 🐉