

Set Wet Case Study

The beauty and fragrance industry

The use of beauty and personal care products is no longer limited to urban India. Awareness of such products has strongly increased due to television commercials, celebrity endorsements, social media campaigns and print media. This has helped to drive the growth of beauty and personal care in India during 2014.

Premium brands are growing faster than mass brands, especially with increased disposable incomes and higher awareness

Premiumisation continued to drive the growth of beauty and personal care in India in 2014. Overall, premium beauty and personal care increased by 23% in current value terms in 2014. This was a trend which was observed across last year, when premium beauty and personal care increased by a current value CAGR of 25%. This growth was driven by urban consumers in the age group of 25-30 and having higher annual disposable incomes.

Deodorants in India

Growth in deodorant pump format

Deodorant pumps (No gas deodorants led by Fogg) displayed remarkable value growth in 2014, and thus drove growth in overall deodorants. As the category is driven by impulse purchase and low brand loyalty, manufacturers are launching variants based on fragrances to retain customer. Deodorant pumps saw the fastest growth of 70% in value terms in 2014. This can be attributed to the claim of pumps to deliver more sprays per can and a long-lasting fragrance compared with aerosol-based sprays (Gas filled deodorants, led by Axe). This functional aspect, as well as value for money, acted as a good differentiation factor in the crowded and cluttered deodorants category.

Rising disposable income causing shift from talc usage

The value growth of deodorants was 23% in 2014. This was mainly due to rising disposable incomes amongst consumers in the age group 20-30, who opt for deodorants over talcum powder to tackle body odour. Growth drivers such as faster rural penetration and users buying multiple brands or variants for different occasions also drove growth in this category.

Variants drive impulse purchase

Fragrance-based variants are popular because consumers prefer deodorant as a cheaper alternative to fragrance, and apply it over their clothing rather than for its intended use, which is as a body spray.

Table 1 Sales of Deodorants by Category: Value 2009-2014

INR million	2009	2010	2011	2012	2013	2014
Deodorant Creams (not in India)	-	-	-	-	-	-
Deodorant Pumps (led by Fogg)	-	-	-	1,203.5	2,486.1	4,212.9
Deodorant Roll-Ons (brought in by Rexona)	96.1	108.6	132.7	157.1	177.8	198.1
Deodorant Sprays (led by Axe)	5,576.8	7,821.0	11,153.0	13,840.4	16,806.3	19,612.4
Deodorant Sticks (not in India)	-	-	-	-	-	-
Deodorant Wipes (brought in by Fresh Ones)	-	-	-	4.1	5.0	6.1
Deodorants	5,672.9	7,929.6	11,285.7	15,205.1	19,475.3	24,029.5

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 2 Sales of Deodorants by Category: % Value Growth 2009-2014

% current value growth	2013/14	2009-14 CAGR	2009/14 Total
Deodorant Creams (not in India)	-	-	-
Deodorant Pumps (led by Fogg)	69.5	-	-
Deodorant Roll-Ons (brought in by Rexona)	11.4	15.6	106.0
Deodorant Sprays (led by Axe)	16.7	28.6	251.7
Deodorant Sticks (not in India)	-	-	-
Deodorant Wipes (brought in by Fresh Ones)	23.8	-	-
Deodorants	23.4	33.5	323.6

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 3 Sales of Deodorants by Premium vs Mass: % Value 2009-2014

% retail value rsp	2009	2010	2011	2012	2013	2014
Premium	1.7	1.8	1.8	1.8	1.8	1.9
Mass	98.3	98.3	98.3	98.2	98.2	98.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade source

Competitive Landscape

Fogg and Wild Stone overtake the incumbent Axe

Vini Cosmetics held a 17% value share in deodorants and overtook Hindustan Unilever to gain the leading position in 2014. The Fogg deodorant pump by Vini Cosmetics claims to deliver 800-1,000 sprays per can, along with long lasting fragrance. Vini Cosmetics promoted Fogg across various media by quantifying the number of sprays (more spray per can) each bottle can provide to a consumer, whereas other players continued to focus on advertising which primarily was based on attracting the opposite gender.

Axe, the leader in deodorants until 2013, lost share to other brands. This can be attributed to Fogg's unique proposition compared with Axe, despite using celebrity endorsement.

In 2014 deodorants was led by domestic brands Fogg by Vini Cosmetics and Wild Stone by McNroe Chemicals Pvt Ltd. Axe by Hindustan Unilever and Engage by ITC were third and fifth in deodorants in India.

New launches in the category

With the growing popularity of deodorant pumps, the market saw new launches in this category by almost all the major players. Hindustan Unilever, ITC and McNroe Chemicals launched pump variants to meet the growing demand for this format. Deodorant pumps are also known as no-gas deodorants, meaning non-aerosol.

Celebrity endorsement, New Packaging used to lure consumers

In 2014 Adjavis Venture launched a new deodorant pump under the brand name Layer'r Shot for men and Wottagir! for women. The television campaign featured Bollywood actor Imran Khan promoting the advertisement. These deodorants use plastic bottles rather than the metal bottles usually used by players across deodorants in India. This characteristic is used to differentiate it from other brands, as it was the first time that a deodorant was chosen to be packaged in a clear transparent bottle.

Table 4 Company Shares of Deodorants: % Value 2010-2014

% retail value rsp	2010	2011	2012	2013	2014
Vini Cosmetics Pvt Ltd	-	-	7.9	12.4	16.6
McNroe Chemicals Pvt Ltd	9.5	10.7	10.8	10.8	10.7
Hindustan Unilever Ltd	29.6	29.3	21.5	14.4	9.9
Helene Curtis India Ltd, J K	1.7	1.7	2.3	3.8	7.7
ITC Ltd	-	-	-	4.5	6.6
Marico Ltd	10.4	9.0	7.1	6.7	5.3
TTK Healthcare Ltd	5.2	5.6	5.1	5.0	5.1
Nivea India Pvt Ltd	4.8	5.1	5.4	4.9	5.1
Nike India Pvt Ltd	3.5	3.4	3.6	3.8	3.8
Jyothy Laboratories Ltd	-	5.7	5.2	4.2	3.4
CavinKare Pvt Ltd	6.2	5.4	5.1	3.4	2.7
Menezes Cosmetics Pvt Ltd	2.2	2.0	1.9	1.6	2.0
Wipro Ltd	1.6	1.6	1.6	1.5	1.4
Oriflame India Pvt Ltd	1.1	0.8	0.6	1.3	1.1
adidas India Marketing Pvt Ltd	0.6	0.7	0.8	0.8	0.9
Avon Beauty Products India Pvt Ltd	1.3	1.3	1.1	0.8	0.7
Ferrari Giovanni Industria Casearia SpA	0.3	0.4	0.5	0.5	0.5
Gillette India Ltd	0.5	0.4	0.4	0.3	0.3
Hindustan Lever Network	0.1	0.1	0.1	0.1	0.1
Modicare Ltd	0.1	0.1	0.1	0.1	0.1
Henkel India Ltd	6.3	-	-	-	-
Others	15.0	16.7	19.0	19.2	16.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 5 LBN Brand Shares of Deodorants: % Value 2011-2014

% retail value rsp	Company	2011	2012	2013	2014
Fogg	Vini Cosmetics Pvt Ltd	-	7.9	12.4	16.6
Wild Stone	McNroe Chemicals Pvt Ltd	10.7	10.8	10.8	10.7
Park Avenue	Helene Curtis India Ltd, J K	1.7	2.3	3.8	7.7
Axe	Hindustan Unilever Ltd	25.1	17.8	11.4	7.1
Engage	ITC Ltd	-	-	4.5	6.6
Set Wet	Marico Ltd	9.0	7.1	6.7	5.3
Eva	TTK Healthcare Ltd	5.6	5.1	5.0	5.1
Nike Sport Performance	Nike India Pvt Ltd	3.4	3.6	3.8	3.8
Spinz	CavinKare Pvt Ltd	5.4	5.1	3.4	2.7
Nivea Deodorant	Nivea India Pvt Ltd	2.7	2.7	2.5	2.6
Dove	Hindustan Unilever Ltd	3.0	2.7	2.5	2.5
Nivea Deodorant for Men	Nivea India Pvt Ltd	2.2	2.4	2.2	2.2
Old Spice	Menezes Cosmetics Pvt Ltd	2.0	1.9	1.6	2.0
Fa	Jyothy Laboratories Ltd	3.5	3.2	2.5	2.0
Fa Men	Jyothy Laboratories Ltd	2.1	2.0	1.7	1.4
Yardley of London	Wipro Ltd	1.6	1.6	1.5	1.4
adidas	adidas India Marketing Pvt Ltd	0.7	0.8	0.8	0.9
Ferrari	Ferrari Giovanni Industria Casearia SpA	0.4	0.5	0.5	0.5
Oriflame Glacier	Oriflame India Pvt Ltd	0.2	0.2	0.4	0.3
Gillette Series	Gillette India Ltd	0.4	0.4	0.3	0.3
Nivea Roll-on	Nivea India Pvt Ltd	0.2	0.3	0.3	0.3
Avon Little Black Dress	Avon Beauty Products India Pvt Ltd	0.3	0.2	0.2	0.2
Denim Deo Spray	Hindustan Unilever Ltd	0.3	0.3	0.2	0.1
Avon Senses	Avon Beauty Products India Pvt Ltd	0.4	0.3	0.1	0.1
Avon Styx	Avon Beauty Products India Pvt Ltd	0.3	0.3	0.2	0.1
Oriflame 24H Active Protection	Oriflame India Pvt Ltd	0.1	0.1	0.1	0.1
DIY	Hindustan Lever Network	0.1	0.1	0.1	0.1

% retail value rsp	Company	2011	2012	2013	2014
Avon Feelin' Fresh	Avon Beauty Products India Pvt Ltd	0.2	0.1	0.1	0.1
Essensual	Modicare Ltd	0.1	0.1	0.0	0.0
Rexona	Hindustan Unilever Ltd	0.9	0.6	0.2	0.0
Others	Others	17.6	19.6	20.3	17.1
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

About Set Wet

Set Wet is a game changer in the hair styling category. It has been the market leader in the men's hair styling category. A brand like Set Wet, being among one of the top 10 players in this category, had launched a plain and simple no gas deodorant in Feb 2014, which though met with initial success, was unable to create a sustainable differentiation. It has 9 variants in its normal deodorants and 2 in no gas format. While the category has grown, Set Wet has been seeing a constant decline in both volume and value sales.

Set Wet is a youth brand, with a predominantly male TG.

For more understanding on the brands, you may refer to their communication online, latest Set Wet communication being - <https://www.youtube.com/watch?v=Ajgbydf-0iY>

Communication Task

The task is to provide a communication strategy that details the way forward for Set Wet deodorants to capture bigger market share and higher growth in the category of no gas deodorants.

Fogg has managed to be the 1st mover in the category and is building its positioning with the functional promise of more sprays per bottle. Axe Signature and Layer'r have created differentiation through communication and packaging respectively.

How should Set Wet enter into the market and create a differentiation and preference for their version of no gas deodorants?

The strategy document must provide solutions to the following key areas -

- 1. How would Set Wet drive preference for its brand over others in the no gas deodorants category?**
- 2. Identify the key challenges that they would face while launching this product.**
- 3. Identify the right audience for Set Wet to address with its communication?**
- 4. Identify the key consumer insights in the target group and architect the strategy on the basis of these insights.**
- 5. Identify the right positioning and messaging platform for targeting the consumer.**
- 6. Identify the right communication message for the brand.**
- 7. What should be their packaging and distribution strategy?**

Methodology to be followed:

Weightage will be given to adequate rigor employed in the case. Expert interviews, depth interviews & focus groups are some of the tools that can be employed to derive consumer insights and thus, to propose the right positioning & differentiation for the brand.

Rules & Regulations

1. Participating teams should comprise of only three members
2. Only one entry per institute will be considered

Two stages of this event:

Stage I: Submission of the written case solution.

Stage II: Power point presentation of the shortlisted cases.

Stage I: Process and rules for submission of the written case:

1. FCB Ulka Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same.
2. Creative renditions are not necessary and will not be judged.
3. A detailed Media plan is also not required and will not be judged.
4. A synopsis of the case solution should be submitted as a word document in a minimum font size of **11 points** and single line spacing. The document should not exceed **15 pages**.
5. A written case solution on the case should be submitted either through email to comstrat@fcbulka.com or by post to **FCB Ulka Advertising, 4th floor, Nirmal, Nariman Point, Mumbai 400021**.
6. The last date for receipt of the submission is **10th November, 2015**
7. A shortlist of **6 teams** shall be arrived at by evaluating the case solutions received
8. The shortlist shall be declared on **17th November, 2015** and posted on the website www.fcbulkacomstrat.com and communicated to K. J. Somaiya Institute of Management Studies and Research
9. The 6 shortlisted teams will be invited to make a power point presentation to a panel of judges on **5th December, 2015** in Mumbai

Please remember:

1. Synopsis to be submitted as word document only
2. Font size should be minimum 11
3. The document should not exceed 15 pages
4. The document should have single line spacing
5. Synopsis should be submitted on or before **10th November, 2015**

Stage II: Final power point presentation of the case:

1. Shortlisted teams are requested to reach the venue on **5th December, 2015** at 10:30 am sharp for the set-up and dry run.

2. Please get your power point presentations on a CD/Pen drive, rest of the equipment shall be provided at the venue.
3. The time limit for each presentation is 20 minutes and the students are requested to strictly adhere to the time-limit. A warning bell will ring after 15 minutes.
4. At the end of 20 minutes the team will be asked to stop the presentation.
5. Students are requested not to indicate their institute's name on the slides or anytime during the presentation.
6. Stay and travel arrangements have to be made by the participants themselves.
7. Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same.
8. In the case presentation, creative renditions are not necessary and will not be judged.
9. Media plan for the same is also not required and will not be judged.
10. The solution must have only one approach and not multiple options.
11. Key Dates to remember:
 - a. Last date for written submission **10th November, 2015**
 - b. Shortlist of **6 teams** for power point presentation **17th November, 2015**
 - c. Final Presentation **5th December, 2015**