

## A Live Study on Market Performance of Fem Hair Removal Cream & Bleach in Guwahati Region

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### Abstract

The acquisition of Fem Care Pharma by Dabur in 2008 is in line with Dabur India's strategy to aggressively expand the latter's scale of operations and strengthen its presence in the fast moving consumer goods' (FMCG) space. Fem Care Pharma is a leading player in the bleaching cream and liquid soap segment. The transaction will give Dabur an entry into the high-growth skin care market with an established brand name 'FEM'. Further, Dabur also has the potential to extend the brand into new and related skin care categories. This study is based in Guwahati region in which we collected primary data from wholesalers, retailers and end users, with the objective to understand the current situation of Fem hair removal cream and bleach, in terms of their market performance, intermediary feedback and consumer feedback. Three separate questionnaires were prepared to collect the information, and it was a freelancing consultancy assignment given to us by Dabur, because they wanted to know the market performance of brand FEM, five years after its acquisition. The study suffers from some limitations, like statistical tools and techniques were not used in it, and we have described the findings with the help of charts and graphs. Other limitation of the study is that we have conducted it in the year 2012 and after six years, there are few changes in the market environment, that has already taken place, but still we have tried to update the information in order to make it relevant with the present scenario.

**Keywords:** Brand Acquisition, FMCG Sector, Market Performance, Market Potentiality.

### Introduction

Dabur acquired Fem Pharma in two phases i.e. in first phase which was in 2008 it acquired around 72% stake in fem in an all cash deal while the rest 28% was being acquired in 2009 again in an all cash deal. The total amount Dabur paid to acquire Fem was near about 254 Cr. This acquisition was indeed strategic in nature for both the brands because it was mutually beneficial for both of them, with this deal Dabur ventured into female skin care segment where it had no established brand whereas Fem brand got the advantage of extensive distribution channel of Dabur.

Dabur is now a well-known brand in Indian market, but its positioning as Ayurvedic brand often creates hurdles in the path of certain brands which Dabur had launched in recent years, take for example the juice brand Real, which was targeted to youth, but because of Dabur's positioning as Ayurvedic Brand it took time for Real to take off in the market since consumers were not able to digest the idea of a fruit juice made up of real fruits without any Ayurvedic property by Dabur.

Fem Care's acquisition will allow Dabur to drive its core FMCG business as well as consolidate its position as a leading Indian consumer goods company with presence across key categories like skin care, hair care, oral care, health care and foods. Fem Care Pharma, which has a leadership position in the fairness bleach category and a strong market position in hair removal and liquid soap category, is best known for its brand 'Fem'. The other brands in its portfolio include Oxybleach cream, Botanica anti-ageing cream, Stratum colour protecting hair conditioners and SAKA men's bleach.

This paper's focus is on market performance of Fem hair removal cream and bleach in Guwahati region, this study was conducted in the year 2012 four years after Dabur acquired Fem Pharma, our objective was to understand the perception of intermediaries and consumers towards Fem products in comparison to competitors like Veet and Anne French.

## Research Objectives

1. To Study the Market Performance of Fem hair removal cream and bleach in Guwahati region in terms of awareness, usage and satisfaction
2. To understand the perception of Intermediaries towards Fem products
3. To understand the perception of End-users towards Fem Products
4. To study the performance of Fem in relation to its core competitors

## Methodology

This study is a combination of exploratory and descriptive research designs. It is exploratory because we started with literature review and experience survey in order to define our objectives and to gain insight on the selected topic. It is also descriptive study since we had presented our findings and analysis through numerical estimates; we have described the information gathered through charts and tables on proportional/percentage basis.

## Research Tool

The primary data is collected through filling structured and formal Questionnaires by wholesalers, retailers and consumers. It was an investigator administered questionnaire to collect data

## Sampling

- Sample size: 430 (200 Males and 230 Females) consumers, 97(All Males) retailers and 20(All Males) wholesalers.
- Sampling Area: Guwahati.
- Sampling Technique: Non- Probability Sampling Technique with Convenience method.

## Data Collection Sources

- Secondary Data: Annual reports of Dabur, Magazines like Business world, News Paper Articles from The Hindu, Economic Times, Business Standard etc., Experience survey and various journal articles.
- Primary Data: It was collected through Questionnaire; three different questionnaires were prepared for Retailers, wholesalers and end-users.

## Scope of Study

This study is based in Guwahati region with 430 end users, 20 wholesalers and 97 retailers as respondents for this study. This study covers concepts like market potential and market performance of a brand in order to decide future course of action for its sustainability and development in the market.

## Limitations

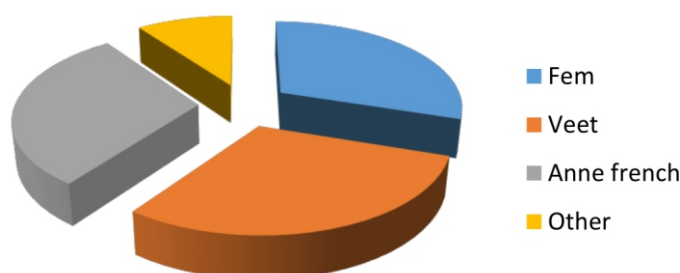
- Study has faced language problem at retailers and consumers
- Lack of consumer support in giving answers about hair removing cream and bleaches
- Consumers were not feeling comfortable to give answers
- Other human errors along with sampling and response errors

## Data Analysis and Interpretation

### Wholesalers (Total Respondents were 20)

1) How much stock of Hair Removal and Bleach from different brands you carry?

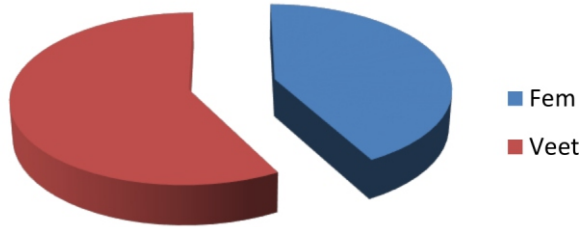
Fem	30%
Veet	30%
Anne French	30%
Other	10%



From the above table and chart we came to know that all the 20 wholesalers were carrying equal stock of Fem, Veet, and Anne French brands. The above numbers indicate that if say suppose a wholesaler is stocking 100 units of hair removal or bleach then he will stock 30 units of each brand mentioned in the chart.

2) Which Brand out of Fem and Veet has more sales in hair removing cream?

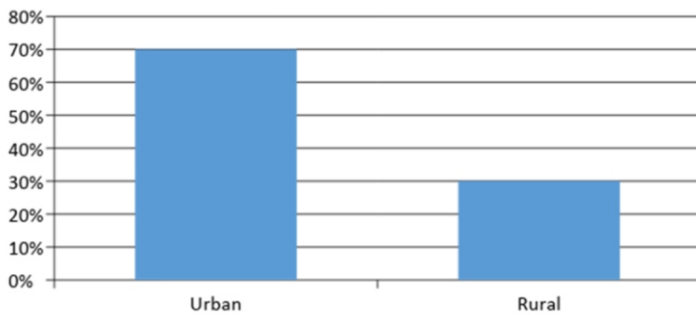
Fem	8
Veet	12



From the above chart it is evident that 12 out of 20 wholesalers were of the view that Veet has more sales than Fem. But Fem is not doing that bad as compare to Veet in Guwahati.

Urban	70%
Rural	30%

3) Most of the customers who demand bleaches & hair removing cream are from which area?



From the above table and chart it is clear that 70 % i.e. 14 wholesalers out of 20 gave the reply that demand for bleach and hair removal is more from customers living in urban area. Only 6 wholesalers said that demand is more from rural area. The 6 wholesalers who said that demand is from rural area is probably because they had proximity with rural retailers.

4) Overall rating of the brands given by wholesalers?

Veet: Good (weighted average on a five point scale came out to be 4)

Fem: Above average (weighted average on a five point scale came out to be 2.5)

Anne French: Below average (weighted average on a five point scale came out below 2)

5) On what basis you push a particular brand to your retailers?

Quality	9
Margin	11
Both	13



Out of 20 wholesalers 11 were of the view that we push the brands which offer us margin because if we get good margin then we can give good margin to our retailers also.

6) Which brand according to you is better on below given factors?

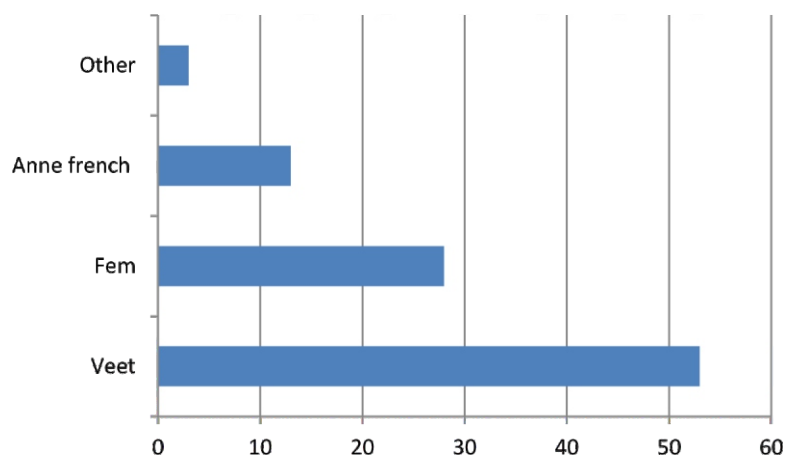
Factor	Brand
Damage Handling	Fem
Scheme Payout	Veet
On time delivery	All Brands in Study
Margins to wholesalers	Veet
Other support	Fem

Fem and Veet are working hard to generate positive consensus among wholesalers, all the 20 wholesalers gave fem and Veet with high ranks on the factors in above table.

Retailers (Total Respondents were 97)

1) Most Preferred brand by consumers according to you?

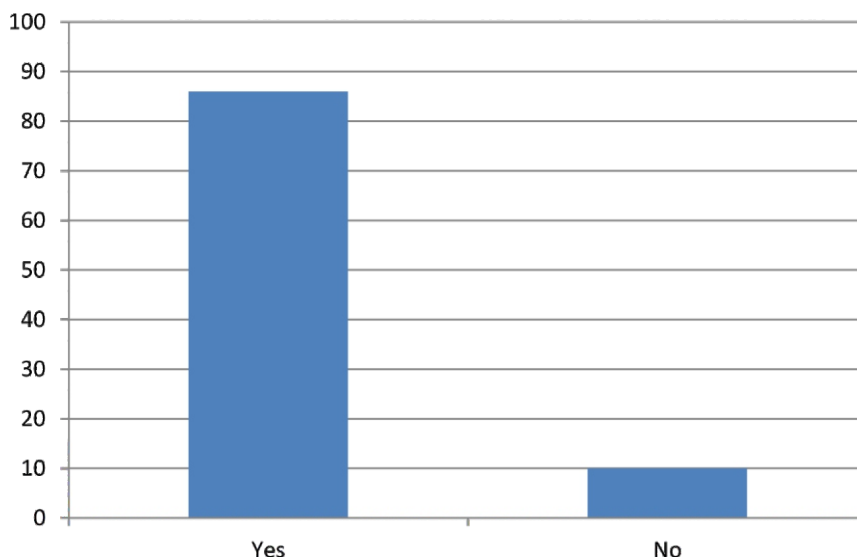
Veet	53
Fem	28
Anne French	13
Other	3



From the above chart and table it is evident that demand for Veet is more at 53 retail outlets followed by demand for Fem which is 28 retail outlets.

2) Do you carry Fem hair removing cream and bleach?

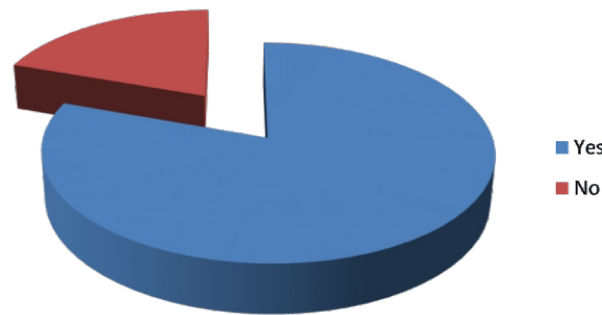
Yes	86
No	10



86 retailers were carrying fem products out of 97 retailers; it shows that the reach of Fem in Guwahati region is perpetually growing.

3) Do you believe quality of Fem bleach & hair removal cream is good?

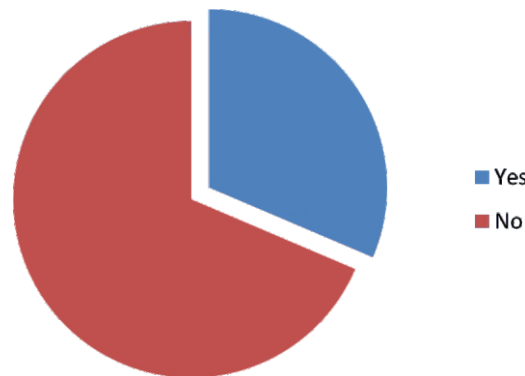
Yes	78
No	19



Out of 97 retailers 78 said that quality of fem hair removing cream is good and 19 retailers complained about it. But overall the feedback of retailers on quality parameter for Fem products was good.

4) Are you receiving better reviews about Fem hair removal cream in comparison to other brands like Veet and Anne French?

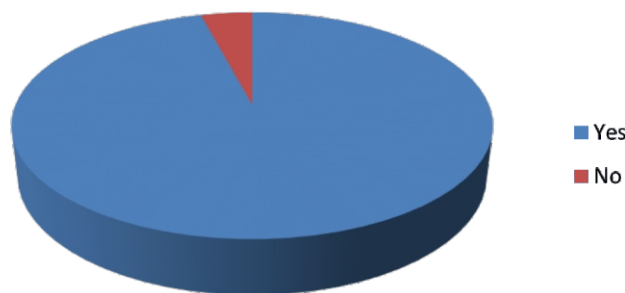
Yes	59
No	37



Out of total 97 retailers we approached, 59 were of the view that they were receiving positive reviews about Fem hair removal cream as compare to its rivals other 37 were of the view that they were not receiving good reviews about Fem hair removal cream as compare to its rivals.

5) Are you receiving better reviews about Fem bleach in comparison to the bleaches of other brands?

Yes	93
No	4



93 retailers out of 97 were of the view that Fem bleach is getting better positive reviews from customers as compare to its rival brands like Veet and Anne French.

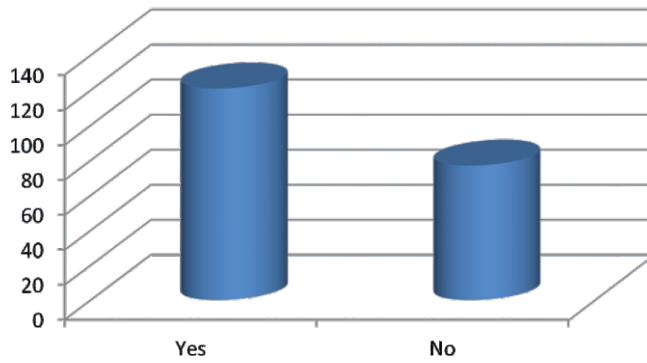
Customers (430 Respondents)

1) Gender of Respondents

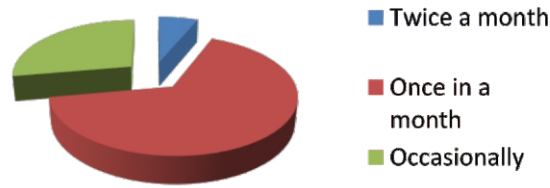
Gender	Frequency
Male	200
Female	230

2) Have you ever used bleach and hair removing cream?

Yes	367
No	63



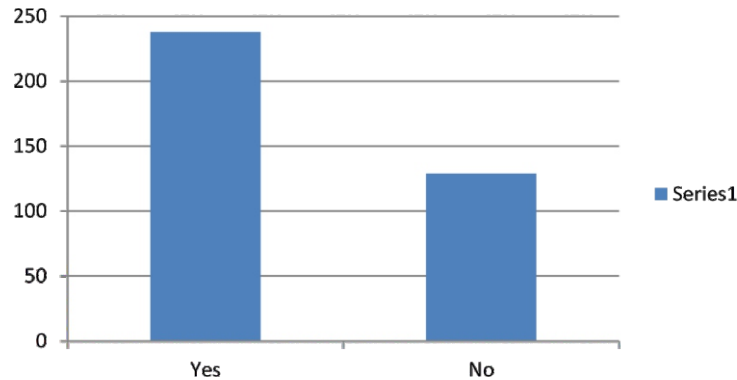
Twice a month	23
Once in a month	242
Occasionally	102



Out of total 430 respondents 367 gave answer to this question, out of those 367 respondents 242 replied that we use bleach and hair removal cream once in a month. 102 respondents replied that we use these products occasionally. Only 23 respondents were of the view that we use it twice in a month

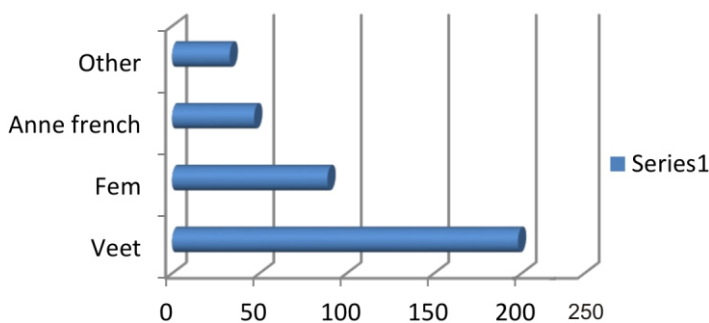
4) Have you ever heard about Fem hair removal cream and bleach?

Yes	238
No	129



Out of total 430 respondents 367 replied to this question, out of 367 respondents 238 were aware about Fem Products. But a significant number of respondents i.e. 129 were not aware about Fem Products.

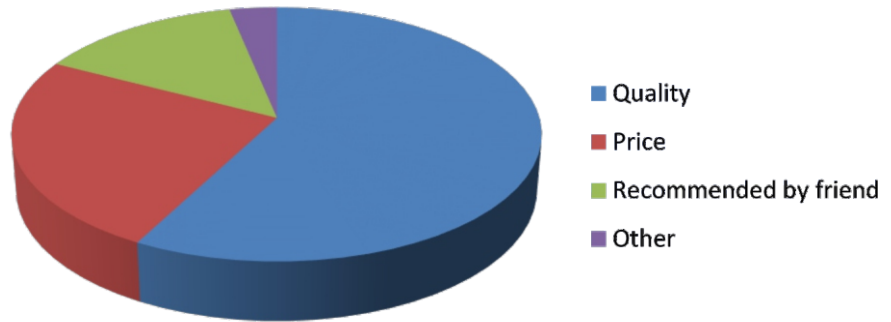
5) Which Brand of Hair Removal cream and bleach do you prefer?



From the above chart we can say that out of total 367 respondents who had replied to this question 198 preferred Veet Brand, Fem followed Veet in terms of preference with only 89 respondents, Anne French stood last with only 47 respondents preferred it over others

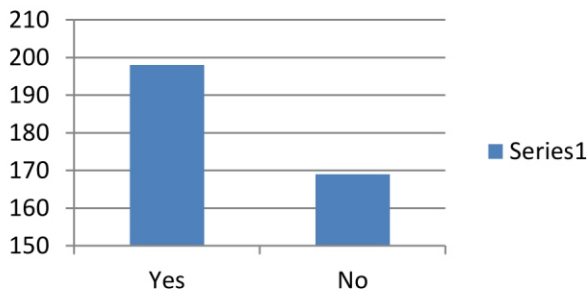
6) Which of the below given factors affect your buying decision of hair removing cream and bleach?

Quality	212
Price	91
Recommended by friend	52
Other	12



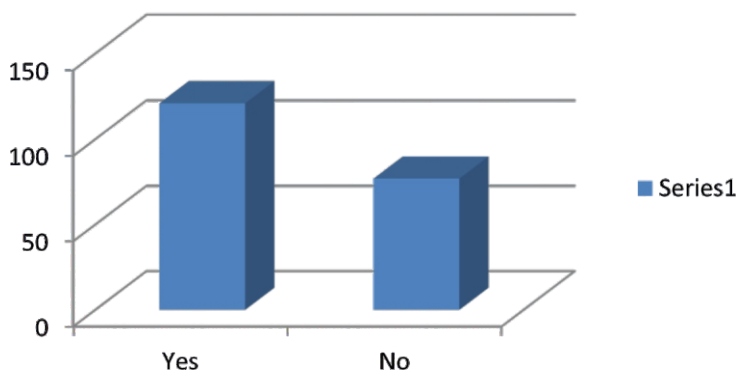
The prime factor which people consider while making a purchase decision for hair removal cream & bleach is quality. In the above chart also one can see 212 respondents considered quality as main decision making factor.

7) Have you ever used Fem hair removal cream and bleach?



Out of total 367 respondents who had replied to this question 198 had earlier used Fem products and rest 169 had never used Fem products.

8) Are you satisfied with the quality of Fem hair removal cream and bleach?



Out of 198 respondents who had used Fem products 121 were satisfied with their quality and 77 were dissatisfied with the quality.

9) Overall rating of the brands given by customers?

- Fem: Above average
- Veet: Good
- Anne French: Average

All the respondents positioned Veet as good followed by Fem as above average.

## Key Findings

We had sample size of 430 Consumers (in which 200 were males and 230 were females), 97 retailers and 20 wholesalers for this study, we found that out of 430 consumers 63(All Males) were not at all using any hair removal cream or bleach because they believed that they were fair enough not to use any cream or bleach and hair removal should not be done by men. Rest 367 who were using hair removal cream and bleach had a very positive feedback for Veet brand because they found it very visible in the market due to its advertising and availability, in our study we found that Veet was better than Fem in consumer's perception on various factors like pricing, promotion, distribution, quality and most important satisfaction. As far as Fem is concerned it was surprising to know that out of 367 consumers who were using any hair removal and bleach 129 were completely unaware about Fem products. Out of 198 consumers who had used Fem products 77 were not satisfied with the quality and they had complains like It creates marks after use, Fem hair removing cream darkens the skin after use. There is problem in removing the hair removing cream, It's not easily removable in one go. It made allergic reaction to some customers. The third brand Anne French which we considered in the study is losing its market rapidly and consumer feedback was also negative about that brand, in this study only 47 respondents out of 367 gave it a preference over Veet and Fem. So overall rating for Fem was above average and for Veet it was good with Anne French received a rating of below average.

Even wholesalers and retailers also gave high rating to Veet in comparison to Fem and Anne French because they believed that high advertising and competitive pricing (Veet is 3Rs cheaper than Fem) along with our good commission made Veet a market leader in Guwahati region. They were of the opinion that Fem can still tap the market if they focus on appropriate push and pull measures. For wholesalers and retailers their own margin is very important factor and Veet is offering them good margin in comparison to the other two brands.

So the key problem with Fem products is awareness and commission of wholesalers and retailers.

## Conclusion

The present study indicates that Fem is not a market leader in Guwahati region, all the three set of respondents i.e. wholesalers, retailers and consumers gave first preference to Veet on various parameters like awareness, satisfaction, demand etc. the present study helped in identifying pros and cons of Fem hair removal cream and bleach like Fem lacked in Advertisement where as Veet's heavy advertisement made it highly visible brand in the market, Veet was also good in terms of commission to the channel members therefore they were also pushing Veet to the consumers of hair removing cream and bleach, consumers who had used Fem products complained about some allergic effects post usage which is really very serious matter and Fem should immediately embark to tam this complain otherwise it will create many problems like consumers will start to carry a negative frame of reference towards Fem.

Market performance of any brand is a multi-dimensional concept, when we talk about market performance then we are evaluating it on various dimensions like awareness about brand, preference towards brand, satisfaction from brand, future intention to purchase, financial performance of brand etc. in relation to its core and secondary competitors. Fem as a brand has above average performance so far because based on our data analysis we can say that still as compare to its core rival Veet it is lacking in terms of awareness, preference, satisfaction and future intention to purchase. When compared with Anne French then Fem is better in all the measures of performance because based on our analysis we can conclude that Anne French is below average in its performance so far.

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