



## **NEW PRODUCT DEVELOPMENT OR LAUNCH**

### **INTRODUCTION**

The term product is used frequently in marketing. Consumers purchase different products which are useful and agreeable to them. A product can be defined as bundle of attributes that satisfies a consumer demand.

A product has utility. In addition , it has various features such as physical attributes, brand, design, color, shape, size and so on. Many things have to be considered before development or launch of a new product.

A perfect product personality includes following components:

- Basic constituent. {Physical aspect of the product.}
- The associated feature. {Features, merits, uses etc.}
- The brand name given to the product.
- The package used for the product.
- The label attached to the product.

### **MEANING OF NEW PRODUCT LAUNCH**

New product launch means introducing a new product into the market.

In other words it is adding a new product in the existing product line of the company.

New product launch is an important aspect of product policy and product management. For expansion of business time to time launch of new product is very necessary.

### **STAGES IN NEW PRODUCT LAUNCH**

- \_Generating new product ideas of product with promising marketing prospects.
- Idea Screening.
- Concept Testing.
- Business Analysis.
- Marketing Analysis.
- Actual development of a new product
- Test marketing
- Commercialization.

## **NEW PRODUCT LAUNCH**

NATURE Plus Hair Shampoo will be launched in India. Under the brand name of HLL( Hindustan Liver Limited). The main aim would be to make it India's largest selling shampoo, offering the five most important hair health benefits: strengthens weak hair, prevents hair breakage, softens rough dry hair, shine for thick and healthy hair, and contains anti-dandruff ingredient.

We have to decide a product launch for this shampoo so following measures have to be taken.

### **1. New ideas and a latest concept.**

The five most important hair health benefits: strengthens weak hair, prevents hair breakage, softens rough dry hair, shine for thick and healthy hair, and contains anti-dandruff ingredient.

The packaging of the product should be in such a way that it should be very eye catching and attractive

Plus here indicates that it contains scientific as well as ayurvedic variant.

### **2. Testing of the product.**

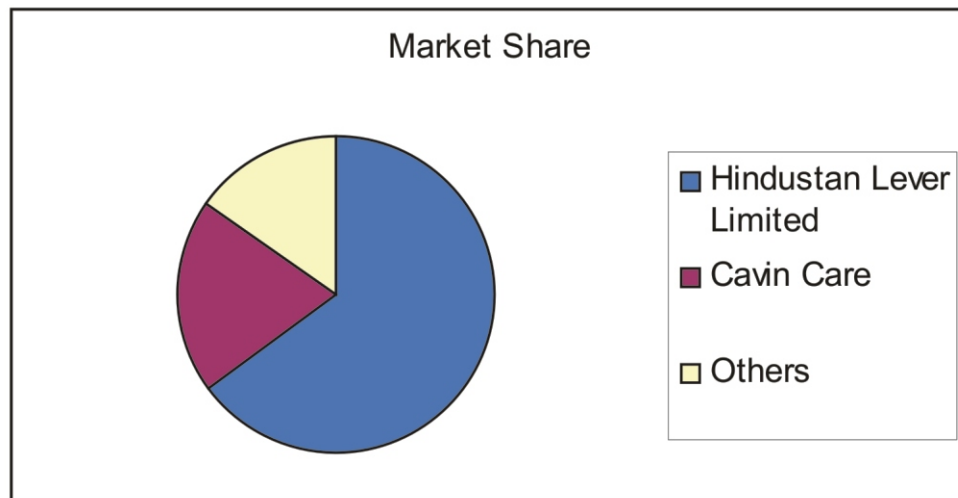
After all new ideas and concept the product should be prepared by RND department and it should be tested. It should be carried out in various tests whether the Shampoo is really effective or no. It should have all the features mentioned. It does not has any side effects. The most important is it should has a long **shelf- life**.

### **3. Business Analysis**

The total expenditure should be calculated. The market structure, the company's market share, company's goodwill and image plays vital role in such a plan of action. ( New Product Launch.)

The total budget should be made and proper testing of the product should be made. So being a branded company in this field they have a good image in the market and also a very vast product line in market.

#### **4. Market Analysis.**



**Market share of HLL in comparison to other company**

31 % of the shampoo sales of Hindustan Lever Limited

#### **Competitors products can be**

1. P & G's Rejoice shampoo
2. Cavin care's Chik shampoo

#### **Strategies to be used by HLL's Nature plus shampoo against competitors. (Beginning stage)**

##### **1. Low pricing strategy ( Penetration Strategy)**

In the Rs 1,000 crore shampoo market, HLL is a clear leader hogging 65% of the market share with Nature plus contributing 31% .HLL enjoys a price advantage over its competitors. With low prices HLL believes that "it can neutralize significant part of cost of this initiative overtime while fortifying our market position".

The average medium class person can be easily targeted by the product as the cost of the product is very low.

## **4. Market Analysis. (Cont)**

### **2. Pull Strategy.**

All campaign should be planned. Free trial packets should be distributed. Target places for such campaigns should be

1. Malls
2. Parlor
3. Bazar's
4. Super market.

And every such places where middle class people can be easily targeted.

### **Strategies to be used by HLLs Nature plus shampoo against competitors. (Commercialization stage)**

#### **∅ Position Defence strategy:**

NATURE plus can use this strategy to defend its position against new entrants. HLL's long established ties with retailers and ties extensive distribution reach probably acts as a entry barrier for new entrants.

#### **∅ Counter offensive strategy:**

This strategy is usually used against market challengers like Rejoice and Chik shampoo, when P&G's Rejoice reduced its prices HLL can fire a salvo by offering a free bottle for every bottle of its Nature plus shampoo.

"As a market leader, HLL believes that it can lead market growth by driving consumption and frequency of usage. Bottle packs play a significant role in this." And this was one of the great moves in directing the sachet users to bottles.

#### **∅ Low pricing strategy:**

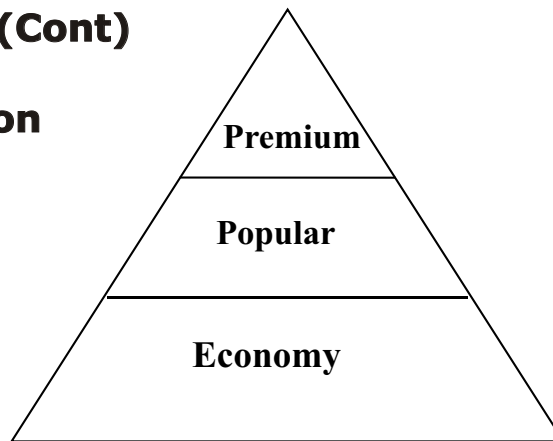
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#### 4. Market Analysis. (Cont)

##### Market segmentation



PRODUCT DESIGN



Nature Plus is a Premium product since it can target at the existing customers and it is the market leader. Positioning of the product is done by uses and applications since it has been now launched with a five in one benefit. The product is differentiated in to two categories. It has Nature plus which targets the family and a variant which is Nature plus ayurveda which targets the niche market.

#### 5. Pricing

Nature plus comes in a variety of packs they are priced as follows

Type	Quantity	Price
Sachet	7.5 ml	Rs. 02
Bottles	25 ml	Rs. 05
	100 ml	Rs. 30
	200 ml	Rs. 55
	300 ml	Rs. 90
Nature Plus	200 ml	Rs. 60
Bubble Pack	30 ml	Rs. 08

## **6. Promotion**

Nature Plus will use various promotion strategies some of which are,

### **1. Reduction in prices.**

Hindustan Lever Limited launched Nature Plus with its five in one formula with reduced price. This reduced price has greatly increased the market share of Nature Plus because where other shampoos in the same segment are priced at almost Rs. 39 Nature Plus is priced at Rs. 30.

### **2. Buy One Get One Free.**

HLL will start introducing the scheme of buy one get one free. So you get two bottles for the price of one. It does not affect the profits of HLL because it has so high volume of production that it can absorb the cost of production.

### **3. Bubble Pack.**

The bubble pack which would available for Rs. 8 for 30 ml will be an innovative way of promoting the product. Since the sachets are difficult to store and reuse the bubble pack is a welcome relief.

### **4. 25 ml for Rs. 5.**

This bottle of shampoo will be introduced to switch the sachet users to the bottle. Where you get 7.5 ml for Rs. 2 customer will e now be getting 25 ml for Rs. 5.

### **How to reach out to customers /innovative ideas**

Since HLL's Nature plus would be the market leader controlling 65% of the market , the only way to grow would be expand the market itself. Hence our innovative ideas are concentrated on expanding the market.





Ø **Hair saloons:**

**Concept:** Promotion of Nature Plus in various hair saloons and beauty parlours across India.

**Motive:** Creating brand awareness and getting it on top of mind.

**Idea:** Since people visit hair saloons and beauty parlours very often they tend to get attracted to the products used in the saloons or parlours , carrying the general impression that whatever products by the people in saloons are the best for that purpose.

Ø **Health Clubs:**

**Concept:** Promotion of Nature Plus in various health clubs across India.

**Motive:** Creating brand awareness and getting it on top of mind

**Idea:** People are becoming more health conscious these days. Right from HNI's to the youth to the middle class housewives most of them are regular to health clubs. Hence promoting the Nature Plus shampoo at these places with a special mention in the diet chart by the local nutritionists would lead to greater brand awareness as hair also require nutrition's. This would also help to fight the general perception that "shampoos are glamour products and not health products."

Ø **Weekly Bazaars:**

**Concept:** Promotion of Nature Plus in rural areas across India

**Motive:** Creating brand awareness and converting non shampoo users to shampoo users.

**Idea:** Since the market penetration of shampoo industry is not high, we look at promoting Nature Plus in rural areas by putting up stalls in weekly bazaars setup in most parts of rural India.



## **Introduction to company**

In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). These three companies merged to form HLL in November 1956.

Hindustan Lever Limited (HLL) is India's largest fast moving consumer goods company, with leadership in Home & Personal Care Products and Foods & Beverages. HLL's brands, spread across 20 distinct consumer categories, touch the lives of two out of three Indians.

HLL meets everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life. It is a mission HLL shares with its parent company Unilever. Unilever sells Foods and Home and Personal Care brands in about 100 countries worldwide.

HLL is also one of India's largest exporters. It has been recognized as a Golden Super Star Trading House by the Government of India. HLL's brands like Lifebuoy, Lux, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Sunsilk, Clinic, Pepsodent, Close-up, Lakme, Brooke Bond, Kissan, Knorr-Annapurna, Kwality Wall's are household names across the country and span many categories like soaps, detergents, personal products, tea, coffee, ice cream, etc.

Exports are a substantial business in HLL, accounting for about 12% of the company's turnover which includes beverages, marine products, rice & castor.



## **Hindustan Lever Network:**

Started in 2003, Hindustan Lever Network (HLN) is HLL's Direct Selling arm. It already has about 3.5 lakhs consultants - all independent entrepreneurs, trained and guided by HLN's expert managers and trainers. HLN offers you to build a business with different categories of Home & Personal Care (HPC) and Food products.

## **Distribution network:**

HLL's distribution network, comprising about 7,000 stockists, which covers the entire urban population, and about 250 million rural consumers.

HLL's distribution network in rural India already covers about 50,000 villages, reaching about 250 million consumers, through about 6000 sub-stockists.

## **Project Shakti:**

Over the last few years the company has embarked on an ambitious programme, Shakti. Through Shakti, HLL is creating opportunities for rural women, thereby improving their livelihood and the standard of living in rural communities. Shakti also includes health and hygiene education through the 'Shakti Vani' Programme.

Started in 2001, Project Shakti has already been extended to about 50,000 villages in 12 states - Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh, Tamil Nadu, Chattisgarh, Uttar Pradesh, Orissa, Punjab, Rajasthan, Maharashtra and West Bengal.

